

CO-OPERATIVE

D ▶ I ▶ R ▶ E ▶ C ▶ T ▶ I ▶ O ▶ N ▶ S

ISSUE No.1

June 89

FIRST EDITION

Welcome to the first edition of *Co-operative Directions*, bringing you news and views on matters of interest to co-operatives in Victoria.

Who and Why?

Co-operative Directions is published bi-monthly by the Ministerial Advisory Committee on Co-operation and the Co-operative Development Unit, Corporate Affairs Victoria.

As you may be aware, the Committee (M.A.C.C.) was established to consult and review the co-operative movement and to report on ways and means to stimulate development of the co-operative sector. An associated task was to recommend legislative reforms for co-operatives.

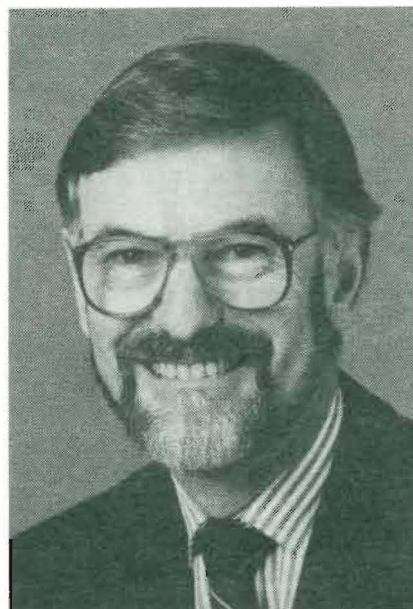
The Co-operative Development Unit has been set up to promote co-operatives as desirable economic and social structures and to assist co-operative formation and development.

Why a Newsletter?

An increasing level of interest in the co-operative way, both in Australia and internationally, underlines the need for improved communications in the co-operative sector. This newsletter is a modest start in that direction.

In future issues we hope to bring you—

- up to date news of developments in the sector.
- a profile of a particular type of co-operative each issue.
- advice on newly formed co-operatives, their locations and activities, topical letters, small advertisements, etc.
- information on education and training seminars and workshops.



"It is my view that co-operatives can play a key role in the social and economic future of Victoria".

The Honourable Andrew McCutcheon, M.P., Attorney-General.

Legislation

The government is proposing a new co-operatives Bill. Drafting instructions for the proposal have been prepared and Cabinet has approved the drafting of a Bill for introduction in the Spring session of Parliament.

The Ministerial Advisory Committee on Co-operation (M.A.C.C.) initiated proposals for a new Act after extensive consultation with the co-operative movement in Victoria between 1984 and 1986. M.A.C.C. argued that the current legislation failed to establish a clear and distinct identity for the co-operative sector and lacked sufficient expression and support for the co-operative principles.

seeking to—

- Establish a clear identity for co-operatives in Victoria by the inclusion of a definition of a co-operative and the international co-operative principles.
- Broaden the qualification for membership to include corporate bodies that are co-operative in character.

- Clarify and simplify the regulatory requirements presently applied to co-operatives.
- Streamline the requirements and procedures for registering new co-operatives.
- Introduce safeguards that would protect co-operatives from takeover and introduce provisions regarding active shareholding.
- Establish a new consultative body, called the Victorian Co-operatives Council, to be representative of the co-operative movement in Victoria.

It is planned the draft Bill will be circulated to the public for comment during July.■

News Update

DEVELOPMENTS AT CORPORATE AFFAIRS, VICTORIA

David Lafranchi was appointed Registrar of Co-operative Societies in February 1989.

David is pleased to welcome new staff members to the Co-operative Development Unit, Jane Reynolds, Manager; Marg Warner and Sue Barnes, Co-operative Development Officers; and Wendy Cary, clerical officer.

Paul Goldstone and Tony Gill have left the Unit, Tony to work with the Australian Association of Co-operatives Ltd.

The Unit is available to provide advice and assistance to intending co-operatives.

Staff are currently engaged in planning future unit activities in relation to co-operative promotion and education and training. Any new ideas and contact from interested co-operatives and groups would be welcomed.

Please call: Jane: (03) 603 4622
 Marg: (03) 603 4646
 Sue: (03) 603 4641 ■

Co-operative Directions input

If you are interested in submitting articles for *Co-operative Directions*, or advertising a special event or activity, please contact Marg Warner on (03) 603 4646.■

CHAIRMAN— M.A.C.C.

Race Mathews has been appointed Chairman of the Ministerial Advisory Committee on Co-operation by the Attorney-General, the Honourable Andrew McCutcheon, M.L.A.

The appointment was announced by Mr. McCutcheon at the first meeting of the Committee following the 1988 Victorian State elections.

"Mr. Mathews appointment should be seen as an indication of the importance which I personally attach to close relations between the co-operative movement and the government."

"It should also clear the way for the implementation of the feasible M.A.C.C. Report recommendations, at the earliest possible date."

"It is my intention that major amendments to the Co-operation Act arising in part from the M.A.C.C. Report should be introduced into Parliament in the Autumn sittings, and I will be relying heavily on M.A.C.C. and Mr. Mathews for liaison with the co-operative movement during the Parliamentary proceedings."



The Honourable Race Mathews M.P.

Mr. McCutcheon said that Mr. Mathews' record as a municipal councillor, a member of both the State and Federal parliaments and a State minister meant that he was well qualified to

advance the interests of the co-operative movement as a third force on Australia's economic landscape.

"It was at Mr. Mathews' instigation that the Ministerial Advisory Committee on Co-operation was formed in 1983 by the then Minister for Housing, Ian Cathie, and he was an active and effective contributor to the preparation of the M.A.C.C. Report."

"His work in making the principles of co-operation more widely understood within the Labor Movement and the Community generally are well known, and his publications *Building the Society of Equals: Workers co-operatives and the A.L.P.* and *Employee Ownership: Mondragon's Lessons for Australia* have been widely read and discussed.

If anyone is interested in talking to the Chairman of M.A.C.C., Race Mathews can be contacted on 568 4625. ■

Australian Association of Co-operatives Ltd.

The Australian Association of Co-operatives Ltd. officially opened its Victorian office in January of this year, at the premises of the Victorian Credit Co-operatives Association Limited in Windsor.

The Association was formed in 1986 to unite numerous co-operatives in Australia into one strong association with a view to better represent their interests to Government—both Federal and State; Government departments and Agencies; community organisations and groups; and the International Co-operative sector.

The new Executive Officer for Victoria, Mr. Tony Gill, said the Association's primary object is the promotion, protection, unification, representation and development of the Australian co-operative sector for the social and economic benefit of member co-operatives.

The policies of the Association are determined by a Board of Directors consisting of one representative from each State and one Director representing Australia. Under the Board's direction, management is by a General Manager and a team of professional staff.

Since its incorporation, the Association's role has expanded to provide specialist services to assist co-operatives in the areas of finance, law, training and industrial relations.

The Association operates a Central Banking facility to provide finance tailored to co-operative needs, and an insurance service which has been professionally designed to meet the often specialised insurance needs of co-operatives at a highly competitive price.

Membership of the Association is open to all registered co-operatives. Details of membership requirements and the Association's services can be obtained by contacting Mr. Gill on (03) 521 1654 or by writing to the Association,

c/- G.P.O. Box 5211 AA
Melbourne 3001. ■

Co-operatives on Deck

As at January 1989 there were approximately 1150 co-operatives registered with Corporate Affairs Victoria.

Since that time twenty-five co-operatives have been registered, including nine government guarantee co-operatives (as at 30 April 1989).

Start Polish CERC Ltd. (Box Hill) (Common Equity Rental Housing Co-operative).
Co-operative Services Ltd. (Hawthorn).
Muslim Community Co-operative (Australia) Ltd. (Burwood).
Tyabb Trading Co-operative Ltd.
Corio CERC Ltd.
Victory CERC Ltd. (Wendouree).
Colac CERC Ltd.
Central City CERC Ltd. (Geelong).
Western Heights CERC Ltd. (Geelong).
Kensington Catering Co-operative Ltd.
Tyalla Traders Co-operative Ltd.
Rural Industries Co-operative Ltd.
Dragon City CERC Ltd. (Bendigo).
NWK CERC Ltd. (Bendigo).
Goulburn Valley CERC Ltd.
Futures CERC Ltd. (Ballarat).

Government Guarantee Co-operatives

Mt Hotham Marouka Ski Club Co-operative Ltd.

Andersons Creek Primary School No. 2 Co-operative Ltd.

Waverley High School Co-operative Ltd.

H. B. Club Co-operative Ltd.

The Traralgon High School Council Co-operative Ltd.

Mahoney's Reserve Soccer Co-operative Ltd.

Village Baxter Residents Co-operative Ltd.

Violet Town Primary School Co-operative Ltd.

Auburn South Primary School Co-operative Ltd. ■

CO-OPERATIVE

DIRECTIONS

ISSUE No. 2

September 89

LEGISLATIVE REVIEW:

A TOUR INTO THE REGIONS

To aid debate and discussion on the proposed Co-operatives Act, the Australian Association of Co-operatives (A.A.C.) convened a number of seminars around Victoria during the week beginning 17 July 1989. The Association invited representatives from Corporate Affairs Victoria (C.A.V.) to explain the proposed reforms. Seminars were held at Traralgon, Shepparton, Ballarat and Melbourne and were ably chaired by A.A.C. councillors Brian MacIntosh, Dan McMullan, Brian Mayne and Richard Papworth respectively.

Tony Gill, Executive Officer of the A.A.C. Victorian Division, gave presentations on the history to the need for legislative change and on the proposed active membership provisions. Jane Reynolds, Manager of the Co-operative Development Unit, gave an address on the proposed reforms and their expected impacts for future and existing co-operatives. Copies of Jane's address can be obtained from Corporate Affairs Victoria on request.

The seminars were further complemented by the attendance of Mary Atherton, A.A.C. Education and Training Officer, Lex Hopkins, Deputy Registrar C.A.V., and David Forbes, Senior Legal Officer C.A.V., who provided answers to many questions.

Over 120 people representing 51 co-operatives attended the seminars and the feedback from members and directors on the proposed changes to the legislation was valuable to the A.A.C. and C.A.V.

Draft Proposals for a new Co-operatives Act have now been released for public comment. It is the Government's expectation that following this final consultation a Bill will be presented to Parliament during the spring session, 1989. Any questions on these matters should be directed to Jane Reynolds (03) 603 4622.

Thanks to the A.A.C. for convening this initiative and to those people who participated in the seminars. Invitations to venture into the regions again would be warmly welcomed by the Co-operative Development Unit! ■

EDUCATION AND TRAINING INITIATIVES

The Education and Training sub-committee of M.A.C.C. has resolved to give priority to forums for co-operative sectors to share ideas on common education, training, and resourcing needs.

Accordingly, a forum is currently being planned for those co-operatives concerned with housing. Brian Greer, Training Consultant, Preston College of TAFE, has been contracted by Corporate Affairs Victoria to co-ordinate this forum. His brief includes consultation with a sample of people in the co-operative movement to ascertain the most appropriate agenda for the day. The primary aim of the forum will be to facilitate co-operation amongst co-operatives concerned with provision of shelter and to identify future solutions to training and resourcing issues. It is expected that the forum will be in November subject to the outcomes of the consultation phase.

Brian, also Chairperson of the Education and Training Committee, reports on other initiatives...

"The need to improve both the provision and use by co-operatives of education and training is well recognized. One of the first tasks undertaken by the Ministerial Committee on Co-operation (M.A.C.C.) was to commission a study to determine how to go about making such an improvement. The recommendations of the study, 'Democracy Through Education', were adopted in the final report of M.A.C.C. 'The Co-operative Way' 1986 and in turn the

consultation that followed with co-operatives in Victoria indicated a 96% support rate for the education and training proposals outlined.

For its part M.A.C.C. has established a co-operative education and training committee which, in conjunction with the Co-operative Development Unit, has set about an implementation program. The following areas have been singled out for early attention.

1. *Co-operative Forums:* In an endeavour to stimulate interest in education and training issues the training committee is planning to make contact with the main areas of co-operative activity in Victoria eg agriculture, childcare, housing etc, to assist those co-operators identify their training needs and how best to provide for them.

2. *Train the Trainer Programs:* The committee would like to see training programs available for people who are going to be involved in the delivery of training for co-operators or potential co-operators.

3. *Educational Materials:* There is a need to identify existing co-operative education material, develop new material to fill any gaps and to make the material available to as many Victorian co-operators and trainers as possible, e.g. a library.

4. *School Curriculum:* One of the prerequisites to introducing the notion of co-operatives into primary and secondary schools is the development of appropriate curriculum. The committee would like to attract teachers and other interested people to assist in this task.

5. *Co-operative Conference:* One way of stimulating the better provision and use of co-operative education and training would be to bring together co-operators from all sectors and possibly an experienced overseas co-operative educator."

The co-operative education and training committee would be most interested to hear from anyone who could contribute to any of the above activities. Please contact Marg Warner, Co-operative Development Unit on (03) 603 4646. ■

AN INTERNATIONAL ANALYSIS

The Hon. Race Mathews M.P. (Chairman Ministerial Advisory Committee on Co-operation, M.A.C.C.) has recently returned from a visit to co-operatives in Canada and Great Britain. Race has a long standing commitment to co-operatives and has already written extensively on the Spanish Mondragon model. Marg Warner recently spoke with Race to gain his insights for this issue of "Co-operative Directions".

What were the objectives of this study tour?

There were two main aims to my visit: the first, to obtain an understanding of where the co-operative movement is heading, is it in an expansionary phase, maintaining its ground, or in decline; the second aim was to observe how governments are responding to the needs of the co-operative movement in a unitary system (Great Britain) and how needs are being met by a federal system (Canada).

I chose to visit Great Britain because the co-operative movement there has had the longest period of development, and Canada because it operates under a federal system which in many ways is similar to that in Australia.

What is of particular concern to co-operatives overseas?

The main concern was that in both Canada and Great Britain, traditional co-operatives are experiencing a measure of decline. In Britain retail co-operatives have seen their proportion of the share market drastically reduced, whilst in Canada a similar decline has occurred in agricultural co-operatives.

There appear to be two main reasons for this decline:

- the breakdown of the relationship between co-operatives and the political process, and of loyalty to co-operative ideology;
- reduction in the competitiveness of co-operatives, as a result of their failure in some instances to keep abreast of managerial and technological change.

These problems can be rectified, but co-operatives must take action quickly to modernise their transactions, and secondly the role of education should be re-emphasised.

What future do you see for the Co-operative Movement as a whole?

I believe there is a bright future for co-operatives, both in Australia and overseas.

There is a lot of inspiration for us in the credit co-operative movement in Canada which is engaged in the development of all co-operatives, not just credit co-operatives—and also in Canada's worker co-operatives and housing co-operatives.

What infrastructures exist overseas to assist with co-operative development?

Well developed support structures are established overseas: for example Britain has its own Co-operative Bank and Co-operative Insurance Company; and there are Co-operative Colleges established to assist in the training of members.

What role do you think the Australian government should play in the development of co-operatives?

There are a number of areas where government could play a significant role in assisting the development of the co-operative movement. Assistance could be provided for the establishment of new co-operatives where there is a guaranteed demand for their products on the overseas market; some overseas aid could be directed to International Co-operative Alliance projects. In addition the movement needs to be considered by government as a significant player in the economy and consulted accordingly.

At a State government level, I consider the most important matter is to firmly establish education and training opportunities for co-operatives. Appropriate legislation is essential, and the employment of highly skilled project officers to assist co-operatives in their pre and post establishment phases of development needs to be explored.

What do you consider are the most important issues for the Australian Co-operative Movement?

Firstly, it is essential that the Australian Association of Co-operatives succeeds and is able to represent co-operatives on a national and international basis.

Secondly, Australia must play its part in the world wide co-operative movement; as yet we don't really have a profile overseas. We must build such a profile and pull our weight to the full in the international network. There is a lot for us to gain, and a lot we have to give. ■

COMMON EQUITY RENTAL HOUSING CO-OPERATIVES

Common Equity Rental Housing Co-operatives (or CERCs) form one of the fastest growing co-operative sectors in Victoria. "CERC living" is becoming an increasingly attractive alternative to people who are struggling with the weight of a private home loan. Trish Britton, Director of the Goulburn Valley CERC, speaks about the advantages:

"CERCs are a fairly new innovation in housing for people in Victoria—the first house was bought in Werribee in 1986—now there are 24 co-operatives in many different parts of Victoria. Here in Shepparton we have 3 different groups and we are still growing. This increase in rental co-operative housing has largely been related to the increasing difficulties in mortgage repayments and the inability of people on benefits and low incomes to buy a home. Furthermore the Ministry of Housing and Construction has substantially increased its financial commitment to CERCs.

The CERC program uses money from the Commonwealth Government, Ministry of Housing and Construction, Victoria, plus private money from the Home Opportunities Loan Scheme.

The houses are bought by the Common Equity Housing Finance Ltd. through government grants and loans. The loans are repaid by the rents paid by CERC members which are subsidised by the Ministry of Housing and Construction.

A CERC is a community housing group of between 7-20 households. A household can be a single person, a single parent or a family. Most CERC members have relatively low incomes.

The co-operatives choose the houses they want to buy or build, manage the houses, organise the maintenance, keep all financial

records and make decisions by consensus on the running of their own co-operative.

The advantages for CERC members are:

- they choose their own house in an area they want to live;
- have their houses (if purchased) renovated to a good standard;
- have sufficient funds to maintain their house at a high standard;
- pay rent they can afford and are protected against unfair rent increases;
- have guaranteed security of tenure;
- have control over their own housing;
- learn new skills such as running meetings, financial records, consensus decision making;
- are part of a supportive community making a better way of living.

The Goulburn Valley CERC was first formed at a Public Meeting auspiced by the Goulburn Regional Housing Council in May 1988. The group applied for funding for houses in September of that year. There are 15 members in the group. The Goulburn Valley CERC was approved in March this year to acquire 10 houses and we have applied this year for approval for the other 5 houses. Our first tenants moved into "their house" in early June—a most exciting time. By the end of September we should have all 10 houses occupied.

The Goulburn Valley CERC meets monthly with Sub-committees on finance and maintenance meeting more often. We have three mildly intellectually handicapped persons in our group who are capable of independent living. Each of these has an advocate who comes to meetings with them and helps represent them at CERC meetings.



First tenants of Goulburn Valley CERC.

The CERC is supported by the Bendigo Resource Co-operative which resources all three Shepparton groups. There is a Co-operative Development Officer who helps the group prepare their submission, run their meetings, work together and understand the international principles of co-operation. A Housing Officer helps the group choose houses and what to look for in maintenance etc. A Finance Officer helps the group set up their books and understand the fairly complicated finances of a CERC.

The real advantage of a CERC is that a household pays no more than 20-25% of their gross income in rent. There is no bond or deposit required.

A CERC member never owns their own home but has security of tenure for life. Co-operative housing is a real alternative to home ownership.

Our group has found the CERC a co-operative, supportive group. Members are prepared to make a commitment to making the group work because of the benefits they receive from this housing alternative."

If you want to know more about CERCs, in the first instance, call Sue Barnes at the Co-operative Development Unit (03) 603 4641. ■

Co-operatives on Deck

Bendigo Regional Housing Resource Co-operative Ltd.—To promote the growth and resource the non profit rental housing co-operative sector.

Nidus Resource Co-operative Ltd. (Geelong and District)—To promote and resource the non profit rental housing co-operative sector.

Pyramid Hill & District Community Advancement Co-operative Ltd.—To promote and undertake community projects and assist in the development of Pyramid Hill.

V.C.A.H. Burnley Student Shop Co-operative Ltd. (Richmond)—To carry on the business of booksellers, stationers and retail of horticultural products.

Urban Camp Co-operative Ltd. (Parkville)—To provide a low cost quality camp for rural, interstate and overseas travellers and to create employment and develop workers' skills. ■

CO-OPERATIVE

DIRECTIONS

ISSUE No. 3

January 1990

Legislation Update

During 1989 most of you would have been aware that Corporate Affairs Victoria in consultation with the Co-operative sector prepared a Co-operatives Bill which is planned to provide an innovative and facilitative framework for Victorian co-operatives. Once proclaimed the new Act will totally replace the *Co-operation Act* 1981.

It was expected that the Bill would be considered by Parliament late in the Spring session of 1989. However there were other significant Government priorities and the Co-operatives Bill was laid over to the Autumn session 1990 when it is hoped it will receive an early passage.

In the meanwhile the Attorney-General has released confidential copies of the Bill to the Legislative Advisory Committee so that further fine tuning and debate can take place.

It is likely that once the new Act is proclaimed transition arrangements built into the Act will allow all existing co-operatives two years to alter their rules to ensure compliance with the new legislative requirements.

It is intended that a set of model rules for each co-operative type will still be available. The Co-operative Development Unit of Corporate Affairs Victoria is planning a number of consultations with representatives of each co-operative type in the first half of 1990 with the view to formulating new models.

Any questions on the Legislative review would be welcomed by Jane Reynolds—tel. 603 4622. ■

Co-operative Development Unit

By now you will be aware that there is a Co-operative Development Unit up and running in Corporate Affairs Victoria. We have a number of objectives to achieve, one of which is to maximize the use and referral of our services by co-operatives—the following information is provided to encourage you to do so!

We believe that the expansion and quality of the co-operative movement in Victoria is dependent upon some key conditions:

- co-operation between co-operatives,
- participation of co-ops in co-operative promotion,
- co-ordinated efforts between co-operatives, peak organisations and government,
- well developed educational and resourcing systems.

Specific objectives of the Unit are to:

- 1) achieve increased public awareness of the nature and benefit of co-operatives,
- 2) expand the number of registered co-operatives in Victoria,
- 3) provide advice to government on the role of co-operatives in economic and social justice strategies,
- 4) ensure the delivery of education and training to targeted co-operatives in light of identified needs,
- 5) investigate and stimulate co-operative growth in specified regions,
- 6) introduce and promote a new Co-operatives Bill,
- 7) distribute information to existing co-operatives and others to enhance knowledge of the movement and links between co-operatives,
- 8) collate information and maintain a data base on co-operatives.

We are very interested in talking to co-operatives and others about our objectives and how we can assist the co-operative movement in general—please feel free to call Jane Reynolds on 603 4622 or Marg Warner on 603 4646. ■

Information Sub-Committee

The Information Sub-Committee of M.A.C.C. has been established to develop and maintain appropriate co-operative information initiatives.

The chairperson of the sub-committee is David Griffiths and it is serviced by the Co-operative Development Unit.

Current initiatives of the Information Sub-Committee include:

1. Co-operative Directions.

The co-operative news and views bi-monthly newsletter of the Ministerial Advisory Committee on Co-operation and the Co-operative Development Unit, Corporate Affairs Victoria.

2. Co-op Doc.

The monthly co-operative newsclipping service jointly published by the Australian Association of Co-operatives (Victorian Division), the Victorian Council of Social Services, the Co-operative Development Unit, and the Co-ordinator, Employment (Youth and Disability) Strategies, Community Services Victoria.

The sub-committee is also assisting the C.D.U.'s work in developing a co-operative information kit and a co-operative information bank.

Other initiatives under consideration by the sub-committee include the development of co-operative case studies, discussion papers and bibliographies.

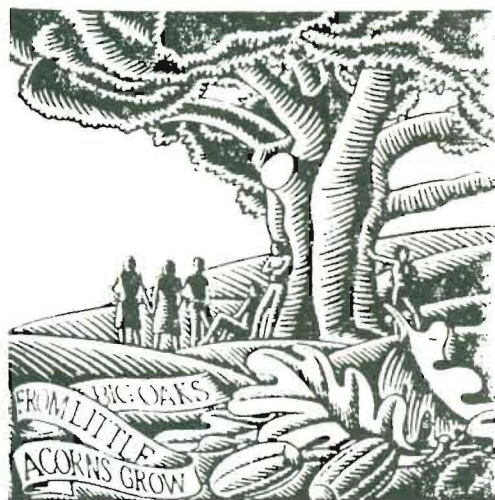
The sub-committee is interested in expanding its membership and would like anyone who is interested to contact Marg Warner on (03) 603 4646. ■

Sector Associations

The *Co-operation Act* 1981 enables the establishment of sector associations to facilitate the operations of its member co-operatives. A sector association may be formed with five or more similar co-operatives.

The aim of a sector association is to represent the interests of that particular sector.

For example, provision of information to approved bodies considered essential to the progress of that sector, provision of support to members and other activities considered of benefit to its members.



The advantages of a Sector Association is that it is a useful vehicle to consolidate and represent co-operatives and to develop communication networks between such organisations. They provide the opportunity to share experiences and concerns and learn from other co-operatives operating under similar circumstances.

The Australian Association of Co-operatives Ltd. is the umbrella statewide organisation, representing all types of co-operatives, however there is an absence in Victoria of sector associations, with the exception of the Associated Herd Improvement Co-operative Ltd., the Community Settlement Association and the Hungarian Community Co-operative Ltd.

The Co-operative Development Unit is interested in fostering the development of sector associations—if your co-operative is interested in working with similar co-operatives to achieve this and would like to discuss this further, please contact the Unit on 603 4646. ■

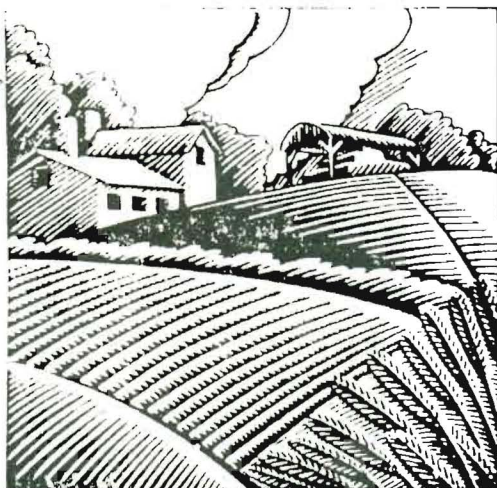
Community Settlement Association Victoria Incorporated

The Community Settlement Association of Victoria represents a range of rural land-sharing community co-operatives and co-operative working groups. The Association's Statement of Purpose is as follows:

1. To represent the interests of the membership;
2. To promote environmentally sound land use;
3. To develop a network and communications between member groups;
4. To promote the adoption of Multiple Occupancy as a State-wide planning policy in Victoria.

Multiple Occupancy can be a significant means of reversing the trend of land deterioration, and can provide socially desirable and affordable rural housing options. Multiple Occupancy as a land use policy has been introduced in N.S.W. and W.A. C.S.A.V. Inc. is working towards its implementation in Victoria.

The Association meets regularly in Melbourne, any land-sharing group who would like to become a member or would like further information can contact Vicki Kaye, C.S.A.V. Inc., 901 Main Road, Hurstbridge 3099. Phone (03) 718 1727. ■



Overseas Input

The Co-operative Development Unit is now receiving publications from overseas co-operative agencies which are available from our office. The following has been reprinted from the gazette of the Co-operative Union of the Philippines (CUP), July–August 1989.

A PRACTICAL GUIDE: HOW TO MAKE A CO-OP FAIL

1. Keep no records.

Bookkeeping is hard work. The less paperwork the better.

2. Lend and lend and don't collect.

3. Don't educate your members.

Training courses and seminars for members and staff are expensive exercises. Courses on how to work together and pool resources are good only in classrooms for kids who don't know the facts of life.

4. Encourage petty graft.

Start with officers. Without records, that would be easy. Give the officers big loans. Allow them to award the same to their cronies. Discourage payment. Give them big allowances and honoraria. Encourage the storekeeper to bring home stock. It sure works.

5. Avoid meetings and general assemblies.

They are a waste of time and effort. Besides, general assemblies usually elect new officers. You may end up getting booted out of office.

6. Fire employees as often as possible.

They are a convenient scapegoat when things go wrong. Especially when they are nowhere in town.

7. Hide or muddle problems.

Pretend they don't exist. If members are dropping out for no valid reason, ignore it. If there is very little money left in the co-op's coffers, come out with a report that the co-op is making huge profits.

8. Blame the weather.

When farmer borrowers can't pay their loans, blame the typhoon. When officers don't show up in meetings, blame the rain or the heatwaves. It's as good an excuse for failure as any.

9. Block attempts to save the co-op.

Insist that things are alright or the fix your co-op is in is only temporary. If you can't solve a problem, why allow others to do it for you? If you can't solve it, the problem will solve itself.

10. If the first nine steps still don't work, close the co-op office or store and throw away the key.

If that does not kill your co-op, it will be a miracle.

The above steps, or just three or four of them are known to have guaranteed the death of self help organisations. And they are easy to follow.

But if you want to build a strong co-operative—avoid them! ■

Co-operatives on Deck

The following co-operatives have been registered by Corporate Affairs Victoria.

Ruach Community Co-operative Ltd. (Heidelberg)—an equity housing co-operative.

Satellite Common Equity Rental Housing Co-operative Ltd. (CERC—Melton area).

Forest Creek Common Equity Rental Housing Co-operative Ltd. (CERC—Castlemaine).

Access Common Equity Rental Housing Co-operative Ltd. (CERC—Fitzroy, Box Hill, Yarraville).

Seagull Common Equity Rental Housing Co-operative Ltd. (CERC—Frankston and region).

Nell Street Common Equity Rental Housing Co-operative Ltd. (CERC—Diamond Valley).

Titree Common Equity Rental Housing Co-operative Ltd. (CERC—Frankston and region).

Aegis Common Equity Rental Housing Co-operative Ltd. (CERC—Kangaroo Flat area).

Young Achievers Common Equity Rental Housing Co-operative Ltd. (CERC—Bendigo area).

Media Common Equity Rental Housing Co-operative Ltd. (CERC—Broadmeadows).

Merri Common Equity Rental Housing Co-operative Ltd. (CERC—Northcote and region).

Sherbrooke Common Equity Rental Housing Co-operative Ltd. (CERC).

Southerners Common Equity Rental Housing Co-operative Ltd. (CERC—Ballarat area).

Priority Common Equity Rental Housing Co-operative Ltd. (CERC—Warrnambool).

Bellarine Common Equity Rental Housing Co-operative Ltd. (CERC—Geelong area).

Taylors Lakes Child Care Centre Co-operative Ltd.

Credit Union Association Co-operative Ltd.

Latvian Co-operative Ltd.—promotion of Latvian culture and the sale of Latvian arts and crafts.

Our Fresh Australia Co-operative Ltd.—trading of fresh fruit and vegetables.

Municipal Association of Victoria Co-operative Purchasing Scheme Ltd. ■

CO-OPERATIVE

D I R E C T I O N S

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May 1990



The Asia-Pacific Centre for Co-operatives Research, Training & Development

The Asia-Pacific Centre for Co-operatives Research, Training and Development was launched by the President of the International Co-operative Alliance, Mr. Lars Marcus on February 12, 1990.

The aims of the Centre are as follows:

- to carry out research into forms of co-operative organisation to meet the social and economic needs of Australia and other Asia Pacific nations;
- run training courses for members, directors and staff of co-operatives;
- promote awareness of the benefits of the co-operative approach;
- provide information and resources;
- facilitate development aid for co-operatives in the Asia Pacific region in conjunction with the International Co-operative Alliance Development Program.

The Steering Committee for the Centre has been working on three major projects since the launch — the feasibility study, structural options for the centre and the communications strategy.

A sub committee, chaired by Mr. R. Mathimugan (ICA) has been established to assist the incorporation of the Centre as a co-operative.

A second sub committee (chaired by Tim Dyce, Victorian Credit Co-operative Association) has been established to identify key people and networks in the co-operative sector and various government departments and provide briefings on the centre to ensure that the needs of the co-operative sector will be served.

If there are any queries regarding the Research and Training Centre, please contact either the Hon. Race Mathews on 568 4625 or Mr. Tim Dyce on 522 6666. ■



Launch of the Centre, from left: Mr. Lars Marcus, ICA, Mr. Richard Crosbie, Australian Federation of Credit Unions, The Hon. Race Mathews, M.L.A., Mr. Geoff Ayres, AAC, Mr. G.K. Sharma, ICA.



— Review of the International Principles

How relevant today are the International Principles on Co-operation? Does current interpretation facilitate co-operative viability and a competitive edge in the market place? These are the sorts of questions driving the International Co-operative Alliance (ICA) review of the principles on co-operation.

Mr. Mathimugan, ICA, Special Adviser for Co-operative Development and Training, Australian Office, says that some of the key issues facing co-operatives over the world include the issue of maximising participation and sustaining financial viability. Co-operatives' ability to compete is particularly affected by their capital raising capabilities.

Co-operatives operating in the commercial sphere are pressing for new and perhaps more flexible interpretations of the principles while community based co-operatives argue that maintaining a difference is essential to the movement.

Mr Mathimugan informs that a Committee of Experts has been appointed by the ICA to produce a report and recommendations which will be tabled at the 1992 ICA Congress in Tokyo. While eventually it will be the members who decide on the acceptance or otherwise of the report and recommendations, the Committee of Experts would welcome the thoughts, views and comments of all interested parties who support and promote co-operative philosophy and its development, to assist it in its deliberations.

There are a number of opportunities for you to become involved.

1. Corporate Affairs Victoria is appointing a research officer this year to work specifically on the interpretation of the principles, their relevance to co-operatives

of the future, and development of capital raising options. The researcher will be asked to consult with a cross section of co-operatives. If you have a particular interest in this project please call Jane Reynolds on 603 4622.

2. The Australian Association of Co-operatives (AAC) is developing an Australian position which will be finalised at the AAC national conference in July 1990. For further information to enable Victorian co-operatives to have an input into this process, please contact Tony Gill, Executive Officer, Victorian Division, AAC on (03) 521 1654.

3. Mr Mathimugan further informs that at about the time of the Central Committee meeting of the ICA in Madrid, September 1990, a conference is being scheduled which will concentrate on the issue of capital raising. Here again co-operatives wishing to make contributions to discussions may do so through the AAC which is also submitting a proposal to the ICA to convene an International Co-operative Trade Conference.

Having established that information with you, what are the Co-operative Principles again? They appear towards the end of this issue if you are in any doubt. ■

Posters Needed !

The Co-operative Development Unit is interested in obtaining and displaying any material about the activities of co-operatives.

If you have any posters or pamphlets you would be willing to give the Unit to help assist educating people about what co-operatives do, please contact Wendy Cary on 603 4619. ■

Housing Forum

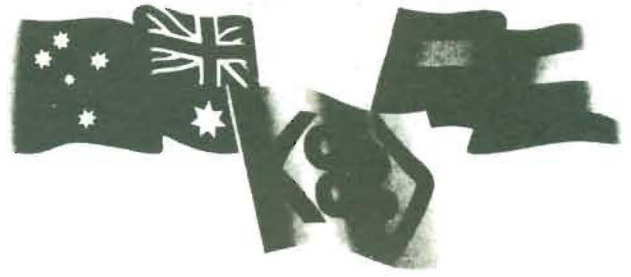
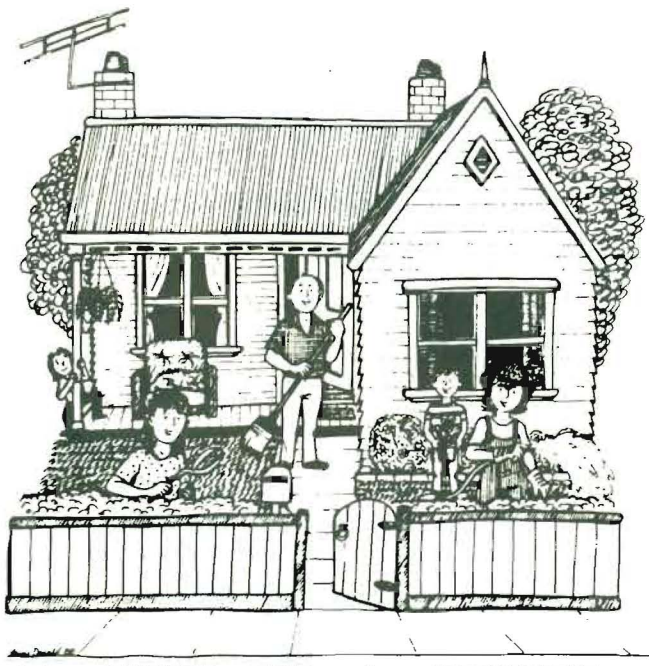
The Co-operative Development Unit recently facilitated a forum for all co-operatives involved in the provision of shelter to identify their education and training needs. The forum was held at Urban Camp Co-operative Ltd. (Royal Park) and was attended by over sixty people, representing twenty-eight co-operatives.

The major outcomes of the day were the consolidation of co-operatives within the housing sector and improving co-operation between housing co-operatives, with the suggestion made of forming a sector association.

The group identified issues and possible solutions to increase participation of members in running their co-op:

- the need for appropriate training for housing resource workers;
- the need for government policy on co-operatives;
- identification of a number of specific training needs, such as financial management, communication skills, dispute resolution etc.

A report on the forum has been prepared and distributed to housing co-operatives. If anyone is interested in receiving more information about this, please contact Marg Warner, Co-operative Development Unit on 603 4646. ■



ICA Conference

The Australian Association of Co-operatives hosted the International Co-operative Alliance Conference "Co-operation for the 90's" from 9-11 February 1990. The conference was aimed at developing greater collaboration and establishing trade links between national governments and co-operatives sectors.

Representatives from twenty-six countries, with a total of over three hundred and fifty delegates and observers were in attendance at the conference.

Major achievements of the Conference were:

- the opening of discussions between Ministers throughout the Asia Pacific regions about co-operative development,
- a commitment to ongoing discussions between co-operative Ministers, with a meeting planned in two years time,
- development and signing of an Asia Pacific Co-operative Trade Development Pact, enshrining the principle of co-operation between co-operatives, and aimed at promoting co-operative development through trade and trade related activities.

A Trade Exhibition was held concurrently with the conference, demonstrating the range of products available from co-operatives in Australia and other Asia countries, and aimed at facilitating trade opportunities within the region. ■

Community Directory

Employ Publishing Group is a non profit publishing co-operative. We are working on a community directory of co-operative and other organisations which provide services or products.

The aim of the directory is to raise community awareness and support for ethically sound enterprises. With growing interest in environmental issues and sustainable economies, we see a need for a directory to locate and use initiatives which support their own social conscience.

The two criteria for organisations or groups to be listed in the directory are that they put:

1. People before profit, i.e. the group (and its products or services) must be non exploitative of society, its workers and the environment.
2. Environment before profit, i.e. the group (and its products or services) must be non exploitative of the environment, immediate and distant.

Enclosed is a questionnaire which co-operatives fitting into the criteria above are asked to complete and return to: Employ Publishing Group, P.O. Box 1042 Windsor 3181.

For further information about the directory contact Libby on 525 3384. ■

International Principles

1. Principles of voluntary association and open membership.

Membership of a co-operative should be voluntary and available without artificial restriction or any social, political or religious discrimination, to all persons who can make use of its services and are willing to accept the responsibilities of membership.

2. Principle of Democratic Control.

Co-operatives are democratic organisations. Their affairs should be administered by persons elected or appointed in a manner agreed by the members and accountable to them.

Members of primary co-operatives should enjoy equal rights of voting (one member one vote) and participation in decisions affecting their co-operatives.

In other than primary co-operatives the administration should be conducted on a democratic basis in a suitable form.

3. Principle of limited interest on share capital.

Share capital should only receive a strictly limited rate of interest, if any.

4. Principle of equitable distribution of surplus.

The surplus of savings, if any, arising from the operations of a co-operative belong to the members and should be distributed in such a manner as would avoid one member gaining at the expense of others.

This may be done by decision of the members as follows:

- (i) by provision for the development of the business of the co-operative, or
- (ii) by provision of common services, or
- (iii) by distribution among the members in proportion to their transactions with the co-operative.

5. Principle of co-operative education.

All co-operatives should make provision for the education of their members, officers and employees and of the general public, in the principles and techniques of co-operation, both economic and democratic.

5. Principle of co-operative between co-operatives.

All co-operative organisations, in order to best service the interests of their members and their communities, should actively co-operate in every practical way with other co-operatives at local, national and international levels. ■

CO-OP^{ERATIVE}

D I R E C T I O N S

ISSUE NO. 5

MAY 1991



A HISTORY

SEE PAGE 3

Published by the Ministerial Advisory Committee on Co-operation and
the Co-operative Development Unit, Attorney-General's Department, Victoria

DIARY OF A LEGISLATOR

WITH ANY LUCK, 1991 WILL BE THE YEAR THAT THE CO-OPERATIVES BILL SAILS UNOBSTRUCTED THROUGH PARLIAMENT. BUT WHAT ARE THE THOUGHTS OF THE PEOPLE WORKING ON THE DEVELOPMENT OF THE LEGISLATION? HOW DO THEY FEEL AS THE MONTHS HAVE TURNED INTO YEARS? THE WHYS AND WHEREFORES AND THE EBBS AND FLOWS OF THE LEGISLATION SINCE 1986 ARE EXPOSED IN THIS PREVIOUSLY UNPUBLISHED DIARY OF ONE OF THOSE DIRECTLY INVOLVED :

1986 - I think we're on to something. Release of the Ministerial Advisory Committee on Co-operation report, suggesting new legislation for co-operatives with the emphasis on plain English , member control, less intervention.

OCTOBER 1988 - a new era dawns with the release of a paper by the Co-operative Development Unit outlining proposals for a new Co-operatives Act.

JULY 1989 - the document 'Draft Proposals for a Co-operatives Act' by the CDU comes forth. The new era continues to dawn.

MARCH 1990 - the Bill is introduced to Parliament by the Attorney-General and is expected to breeze through. Days of discussion re the Education portfolio et al see time run out. We got laid over.

JUNE 1990 - Pyramid.

AUGUST/SEPTEMBER 1990 - the winds of change whistle in a discussion on the policy basis of the Co-operatives Bill.

DECEMBER 1990 - the Bill is withdrawn by the Attorney- General in the cooler climate of increased regulation.

FEBRUARY 1991 - big publicity for the Co-operatives Bill as newspapers report its listing as number one on the parliamentary program, in spite of its being withdrawn.

MARCH 1991 - the Bill is deferred for consideration later in the Autumn session. Policy deliberation continues.

late postscript - a new Opposition leader, a fresh attitude to blocking supply. The forecast for the legislation is "possible storms ahead".



An artist's impression of a frustrated legislator.

FOOTNOTE : my hair's falling out, the spring's left my step, and we lost the test series against the West Indies, but I cheer up as I recall a conversation I had with Bruce Thodarson, director of the International Co-operative Alliance, early this year. He told me that the average time taken for the development of new co-operatives legislation is ten years. We're ahead of schedule.

CO-OPERATIVES, HISTORY AND NEW SOUTH WALES

Dr Gary Lewis, a doctor in Philosophy from the Australian National University, has recently completed nine years of research and published his thesis on the Radical and Rochdale traditions in New South Wales. This is an outline of the ground covered by his research on the co-operative movement.

Inspired by Messianic visions of the Welsh manufacturer and reformer, Robert Owen, experiments with co-operation as a weapon against economic hardship and an agent of radical social change began in New South Wales in the 1830's. These experiments were unsuccessful but in 1859 a more durable form of co-operation reached the colony - retail co-operation based on the successful model of a store in Rochdale, Lancashire.

In 1844 Rochdale co-operators combined to supply themselves with "the necessities of life" and distribute surpluses among themselves or reinvest them in other co-operatives. The commercial success of this store and the democratic "self help" principles it applied inspired an immense international Co-operative Movement. Influenced by Owenite ideas, Rochdale activists argued co-operation as a form of democratic endeavour possessing dual economic and social goals, a "middle way", neither laissez faire nor state centred, possessing the potential to create a "Co-operative Commonwealth", a superior social system constructed upon co-operation not competition.

After the 1860's, Rochdale co-operatives committed to such ideas began developing in New South Wales, particularly concentrated in mining communities in the Hunter Valley and

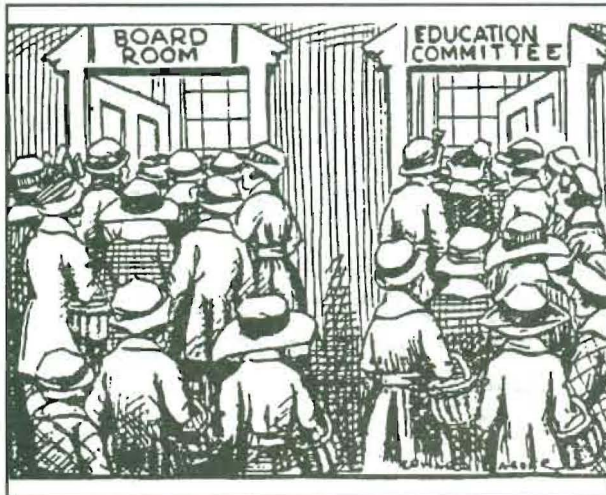
in Sydney and the mining and rural centres of the south coast. By the early 1920's a distinct Rochdale co-operative movement had emerged, an important element of a greater co-operative sector including farmer co-operatives, building societies and later credit unions. Such co-operatives have contributed enormously to the economic and social fabric of New South Wales and Australia. Surprisingly, they have received little attention from historians.

The present study seeks to remedy that deficiency in part by examining, specifically, urban radical and Rochdale co-operation in New South Wales for the 130-odd years to the mid 1980's, seeking to explain its achievements, problems and eventual failure and to evaluate its credentials as a "middle way". The thesis does so by examining the evolution and characteristics of key co-operative theories, structures and practices and in particular, the complex politics of the Rochdale movement in the twentieth century. Such an approach permits the systematic demonstration of critical internal co-operative conditions upon which external factors have impinged to mould radical and Rochdale co-operation and prevent it from achieving a greater potential.

The central internal dilemma was the perpetual contest between the co-operative democracy principle and the need of co-operatives to capitalise themselves adequately. The tensions this generated produced a fatal divergence between idealists stressing co-operation's social mission and pragmatists preoccupied with its economic progress.

External factors bearing upon these internal deficiencies have included the vexed relationship between co-operation and the Labour Movement, the irreconcilability of co-

operative consumers and producers, the eschewing by other co-operative sectors of Rochdale because of its "socialist" complexion, inadequate legislation, the ambivalent influence of the British Co-operative Movement, the scattered and parochial nature of co-operative centres and, ultimately, the superior competition of private businesses unencumbered by the democracy principle.



A 1927 view of the role of women in co-operatives.

The interplay of these internal and external factors generated enormous pressure in radical and Rochdale politics surfacing as interminable disputes between pragmatists emphasising the primacy of consumers organised in retail stores and bound in "loyalty" to a giant co-operative wholesale and idealists emphasising co-operation's social mission and a broad range of co-operative activities, particularly production ("worker") co-operatives, co-ordinated through a Co-operative Union. While pragmatists and idealists remained together as part of one movement and pursued the same nominal co-operative goals, the result has been perennial disagreements debilitating the movement, squandering such advantages and opportunities as it possessed, in particular the human resource of idealists, especially the women, leaving radical and Rochdale isolated, directionless, dependent upon British mentors,

bankrupt in principle and bereft of any distinctive economic or social function.

Finally, transformed from a form of decentralized democratic economic endeavour committed to a Co-operative Commonwealth into a centralised and autocratic managerialism relentlessly pursuing economic rationality just like any other business, radical and Rochdale co-operation in New South Wales lost its *raison d'être* and fell into rapid decay. When a new wave of idealism sprang from the "alternative", environmental and women's movements of the 1960's and 1970's, elements of which were favourable to co-operation, so comprehensive had the collapse of the old radical and Rochdale order been that there was little left to connect with. Radical and Rochdale co-operators had failed to learn that in a movement espousing dual economic and social goals, neither pragmatism nor idealism alone is a sufficient condition for success.

While the study focuses on Radical and Rochdale co-operation in NSW it serves as a case study for all major co-operative types : retail, wholesale, farmer, service, credit union and building society. Research of all co-operative forms in mainland states was completed but reduced, for the purposes of thesis examination to the above.

If anyone is interested in obtaining more information about this study, contact the Co-operative Development Unit on 603 4646 who will put you in touch with Dr. Gary Lewis.

CAPITAL RAISING

It was December 1990 when Christopher Wallis began work on the Capital Raising Review on Co-operatives. The need for the review was identified during consultation on the Co-operatives Bill early last year when representatives of the co-operative movement expressed their concern about the limitations of existing capital raising provisions, which they considered were affecting the competitiveness and development of the co-operative sector.

The major issues included :

- whether co-operatives should have more than one class of share;
- why members do not acquire more shares to boost capital formation;
- whether co-operatives should repay shares at nominal value.

Christopher's preliminary report was completed in early April and sent to interested parties for comment. For those reading the 220 pages of the report, the quote by Pascal, the 17th century French philosopher, no doubt came to mind, "I have made this letter longer than usual, only because I have not had time to make it shorter".

A two day seminar was held on April 17 and 18 to discuss the issues raised by Chris' report. Among the major topics were active membership provisions, management and accountability of directors, a review on deposit taking and key issues in the legislation.

Speakers included representatives from the Ministry of Business and Consumer Affairs NSW, Australian Financial Review, Law Institute, McQuarie Hill Samuel, ANZ McCaughan and members and directors of co-operatives. The eighty people in attendance over the two days witnessed speakers who were

always challenging, and the level of participation from the audience was never less than spirited.

Chris Wallis took a number of comments made at the seminar on board in compiling his final report which was submitted to the Attorney-General's Department in early May. Recommendations of the report will be considered in developing a submission to the Attorney-General on amendments to the Co-operatives Bill 1991.

CO-OPERATIVES ANONYMOUS

■ A recent comment from the management of a country Victorian producer co-operative : "You know, it'd be a lot easier to run this co-op if we didn't have to worry about the members".

■ Rumours that some International Co-operative Alliance members are considering refusing to wear their traditional tie have been strenuously denied by a senior spokesperson. However, a disgruntled would-be rebel was recently heard to mutter, "It might have been fashionable in the 1970's but even Barry Crocker wouldn't be seen dead in one nowadays. This tie has got to be put out of its misery".

■ A view from the merchant banking sector about the people who formulated the international principles of co-operation : "They were six drunk guys running around the midlands of England in the early 1800's".

N.B. In fact there is no conclusive evidence that they were drunk, and Rochdale (home to the first co-operative) is in northern England.

THE LIBRARY

Co-operative housing? Small business management? Demokrati pa arbejdspladsen? The Co-operative Development Unit has a lot of books that you don't, and now that the Unit's library has started operating, all of this can be yours. Temporarily.

Anything that has ever been written about co-operatives might be here - aboriginal training programs, local employment initiatives, baby-sitting co-operatives, everything from the completely obvious to the totally obscure. Do you need to know about workplace democracy, but only speak Danish? Our foreign language section has the book for you. And more besides.

Feel free to come in and browse. We've got the place if you've got the time. The place is 7th Floor, 471 Little Bourke Street, in Melbourne. Any enquiries, call Margaret Camilleri on (03) 603 4748.

The Unit also has a video library still in its infancy, and if you have a video you think might be relevant to us, we'd love to get a copy. Enquiries as above.

?

Did you know that 60% of Australia's cotton and 97% of Australia's rice is produced by co-operatives?

Calling all Co-operatives -
Would you like publicity in
Co-operative Directions?
Call (03) 603 4735 NOW.
Our operators are waiting.

MACC HISTORY

A history of the Ministerial Advisory Committee on Co-operation is in preparation. The history is being prepared by David Griffiths who has been a member of the committee since its inception. MACC was established in February 1984 to provide advice to the Attorney-General concerning the development of co-operatives and the co-operative sector, and has continued to meet pending the establishment of a Victorian Co-operatives Council.

Mr Griffiths said that he hopes the history will serve a fourfold purpose -

Firstly, to present a documented record of MACC;

Secondly, to identify the specific role of MACC in the history of co-operative development in Victoria;

Thirdly, to identify the achievements of MACC e.g. providing a forum for co-operative debate and developing new co-operative legislation;

Fourthly, to identify the difficulties experienced by MACC e.g. inadequate data and the uneven development of co-operatives in Victoria.

"If we don't learn from history, then we are doomed to repeat it," Mr Griffiths said. "But to learn, we have to record history."

If readers have any suggestions for the history of MACC, David Griffiths can be contacted via the Co-operative Development Unit.

100% RECYCLED PAPER

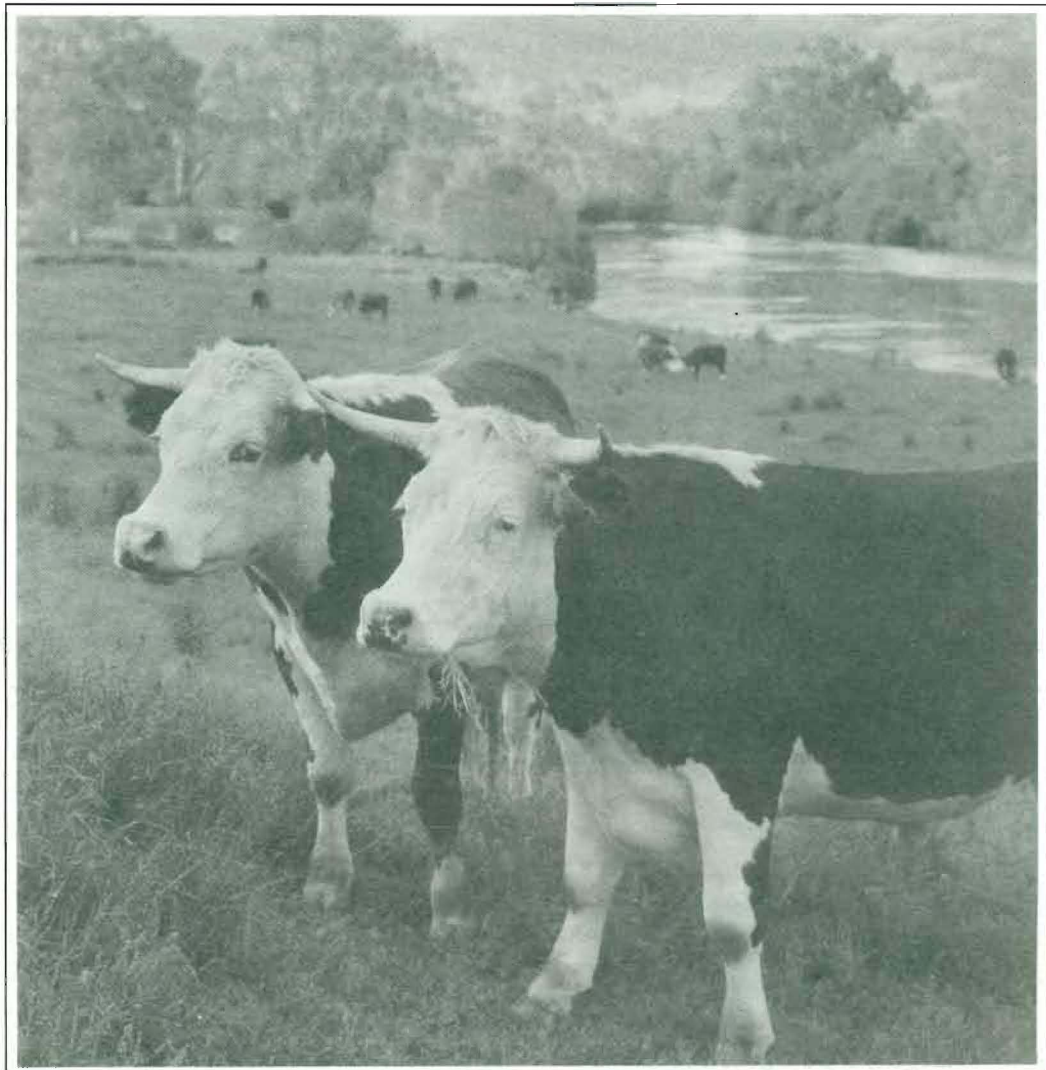
**For further information contact the Co-operative Development Unit
7th Floor, 471 Little Bourke Street, Melbourne 3000. Telephone (03) 603 4735**

CO-OPERATIVE

D I R E C T I O N S

ISSUE NO. 6

AUGUST 1991



A TIME OF RURAL CRISIS

FEATURES INSIDE

Published by the Ministerial Advisory Committee on Co-operation and
the Co-operative Development Unit, Attorney-General's Department, Victoria

100% Recycled Paper

OPEN CHANNEL

When the Australia Council declared in 1974 that they wanted to increase access to video both as an art form and as a tool for social action, they probably didn't foresee the diversity of action they were on the verge of encouraging. The Open Channel Co-operative in Fitzroy was one of the video production groups spawned by the Council and it has continued to fulfil the dual goal throughout its colourful history.

"Accessibility is the key," says Michael Butson, Production Manager of Open Channel and a member since 1986. "For instance, we can provide facilities for community groups to

1986 saw another major achievement. Open Channel co-produced the mini-series "Inbetween" with SBS and Trout Films. The series featured four teenagers from different ethnic backgrounds growing up in Australia, and it won the main prize at the Chicago Film Festival and other international events. In more recent times, three documentary co-productions with independent film makers were screened on the ABC series "In Real Life", one of which won an Australian Teachers of Media award.

Open Channel's continuing development has ensured there is never a shortage of new



make videos which they otherwise wouldn't be able to afford. Open Channel also gives young film makers the opportunity to gain experience in a medium which can be very hard to get started in."

Since its formation, Open Channel has been involved in a surprisingly varied number of projects. In the late 1970's the idea for a children's show, "Stax" was sold to Channel 7 which supplied funds for more sophisticated equipment and raised the Co-operative's public profile. Three years later, Open Channel was behind the first public television broadcast in Australia on the 0/28 network (now SBS). The programming over the two days reflected the intention to give exposure to areas often unexplored by the mainstream media, including features on women's and aboriginal issues, independent films by members of the Co-operative and "experimental" films from overseas.

members. "We get about thirty to forty new members every year," Michael says, "mostly people who are interested in making films or videos themselves. They tend to join when they have a specific need and then move on. It tends to keep the Co-operative's membership pretty fluid.

"There's no doubt that this is a good breeding ground for tomorrow's significant film makers," he states, "quite a number of network television executives, members of government arts organisations and successful independent producers started out with Open Channel."

YOU CAN CONTACT OPEN CHANNEL
BY TELEPHONING (03) 419 5111 OR BY
WRITING TO OPEN CHANNEL, 13
VICTORIA ST, FITZROY 3065.

REVITALISING THE RURAL SECTOR

RURAL ENTERPRISE VICTORIA WAS SET UP IN 1989 TO HELP COUNTRY PEOPLE MAKE USE OF THE RESOURCES AND FACILITIES AT THEIR DISPOSAL, TO ENCOURAGE VIABLE ENTERPRISES WITH A COMMITMENT TO THE LOCAL AREA TO BE ESTABLISHED. IN THESE TIMES WHEN RURAL PEOPLE, IN PARTICULAR, ARE FEELING THE EFFECTS OF THE RECESSION COMBINED WITH CHANGES IN GLOBAL MARKETS, THE ROLE OF R.E.V. HAS NEVER BEEN SO IMPORTANT. CO-OPERATIVE DIRECTIONS SPOKE TO ITS MANAGER, CHRIS HAMILTON.

Situated in a 30 storey building in the centre of Melbourne where a digital screen in the elevator tells you the date and the time as well as the floor you're on, it's difficult at first to connect the r.e.v. central office with the rural community they service. But when Chris Hamilton says "if you expect country people to come to you, you have to be prepared to go to them", and points out that she and her team travel a total of 100,000 miles annually in pursuit of their work, you realise this is not your average city office. As someone in constant contact with Rural Victoria, does Chris think the crisis is as bad as it's been painted?

"The main problem," she says, "is that a range of factors have occurred at the same time. I mean, as well as sheep and wheat prices being low, there's been the drought in some areas, high interest rates, and then it flows on into the retail, small business side.

"For instance, if people are in the situation where they're starting to go into credit with local shops, that affects the cash flow locally. The fact that people aren't buying cars and trucks as much affects the small motoring dealers. The fact that farmers can't afford to get machinery fixed and are either fixing it themselves or not getting it fixed means that work is decreasing in some light industries, which in turn means that people in these light

industries will be doing less banking, and so on. So there is this secondary effect."

Then there is the problem of reduced government services. "Over the last two years, there has been a withdrawal of these services from small rural towns to major provincial cities or even Melbourne. There are population changes because, for example, VicRoads and the Rural Water Commission have changed their way of operating, and if a town with 2,000 people has a population drop of 20, it can be significant. It ends up affecting schools, shops etc. When you look at small communities, there aren't the mechanisms there to be able to cope with these changes as readily as bigger places can."

Losing people to the cities has been a fact of country life since before the Industrial Revolution last century. But Chris doesn't see this as inevitable or irreversible.

"It really depends on which community you're talking about. People tend to speak about country towns as if they're all the same, and of course there are some towns which are sleepy hollows, and they've come to terms with the fact that they're going to lose their young people. In some ways they might be quite happy about that because they want to remain a sleeping town.

"On the other hand, there are also towns that don't want to continue to lose these people. There'll always be a proportion of them who go to the cities, but these towns decide they want to provide opportunities for young people who want to stay. It comes down to a culture within these communities of people not prepared to give in.

"A good example is Watchem in northern Victoria - when their general store burned down recently, they built their own shop through local funds, and they filled their dam for water skiing because they felt that recreational pursuits would maintain the town. It all depends on the creativity of these communities and what choices they make."

Although the exodus of young people to cities is a perennial problem facing the rural community, the major contributor to the rural crisis is the economy. International factors such as the subsidisation of European farmers, U.S. protectionist policies, Japanese quotas and the Gulf War and its effect on our trade links with Iraq, for instance, have only served to complicate the situation and frustrate Australian primary producers in particular. Chris sees this as adding to the feeling of helplessness among the rural population.



"I think a lot of people in the country do feel frustrated, because so many things seem to be determined on a level that people can't participate in. I mean, people in the northern suburbs of Melbourne also feel the frustration, but where the farmers are a bit different is that tradition and pride are involved as well as business - their livelihood and several

generations of their family's work are hanging in the balance.

"So farmers are saying "We do know a lot about farming and we do know a lot about what we're producing, but a whole range of things that we've got no input into are going to determine whether we survive or not". And that can make people feel hopeless and desperate about the situation."

With rural people feeling increasingly isolated and alienated by the complexities of the global economy, can co-operatives be relevant in bridging the gap?

"I think so. People are trying things now that they've never tried before, because they see they're not going to get a job any other way. It's a matter of capitalising on what they've got on a local resource or skill base, and the co-operative structure can create markets where markets don't seem to exist. As an example, if ten households have free range chooks and they work together, they may be able to fulfil a quota whereas individually they wouldn't have a market.

"On a broader level one of the problems that small businesses have in country Victoria is a difficulty in knowing how to market to the Melbourne population. Because they're not around the movers and shakers within the city areas, they don't know how to pick up a share of the marketplace, so I can see in future that co-operatives could be used to help identify ways of marketing some of these goods more effectively.

"It's becoming more obvious," Chris continues, "that if country Victoria is going to survive, co-operation will be a key to people's success. There are a lot of resources in different towns, and people should start seeing ways they can link into other communities and not see it as a threat but as a value-added situation. Then with people joining forces, everyone can capitalise and new models can be established."

"And although you couldn't describe Australia as an underdeveloped country, we do have underdeveloped resources and potential which need to be harnessed. We need to go back to basics, I think - starting to look at what we've got, seeing how we can work across areas co-operatively, starting to identify markets we can tap into, and investigating the people resources we have.

"For instance, there's such a great need for business management skills at the moment, and there's a generation of people going into retirement whose skills in this area are being wasted. We need to think a lot more about our resources and utilise them in a more effective and imaginative way.

"Unfortunately we haven't got an unlimited range of resources," Chris concludes. "Now is the time to be creative."

VIEW FROM A FARMER

Russell Holland, a dairy farmer from Timboon in the south west of Victoria, has been a member of a co-operative company for thirty years so no-one would question his right to express an opinion about the rural crisis and co-operatives in general.

"Things are very, very bad at the moment," he says. "You only have to look at the number of young farmers selling up to realise that."

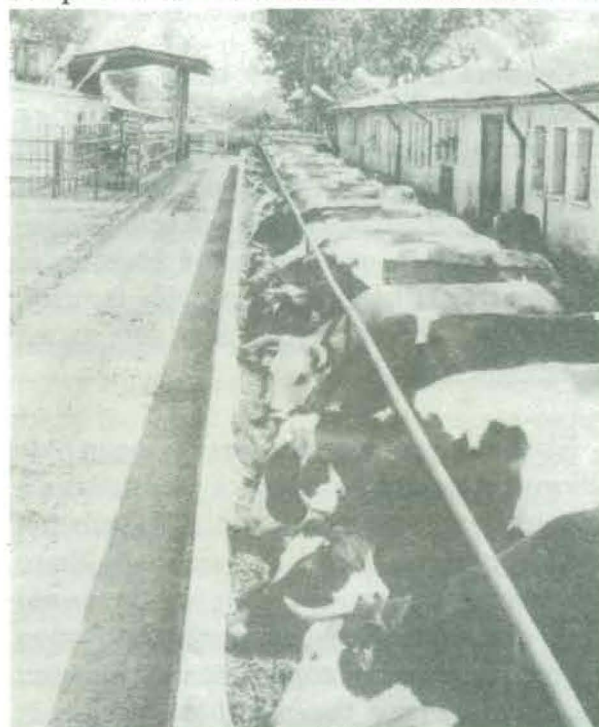
He attributes the rural downturn to several factors including farmer support schemes being scrapped and the government's desire to deregulate the dairy sector, all of which add up to farmers not getting enough return for their product. "I don't think the government takes the rural sector seriously enough."

"Everyone says, improve your productivity. Well, we have! There are half the number of

dairy farmers now that there were twenty years ago," Russell explains, "and our tonnage of product has increased, if anything, in that time."

Are there benefits in being a member of a co-operative nowadays rather than a company, for instance? "There should be," he says, "but these days the co-operative companies and the big co-operatives are run just like companies. Most of them have deviated from the principles of co-operation, there's not much accountability to members, and the top 10% of members have control of the organisation. A co-operative should be a group of people banding together and all sharing equally in the profits and costs. But for the most part, it's not happening."

It's not all bad news though. "Co-operatives can work, but the bigger they get the harder it is to make sure that the directors are controlling the co-operative rather than the management." "A good example of how co-operatives can be competitive and accountable to members is the



co-op in Tatura (Tatura Milk Products Limited - a co-operative company). They've been the top paying group in the state over the last three or four years. So it shows it can be done."

The Essentials for Rural Co-operatives

BY CHRISTINA JUCHNIEWICZ, SENIOR ECONOMIST, HASSALL & ASSOCIATES
(AGRICULTURAL CONSULTANTS) 1988

The two essentials for commercial success are marketing and good management. Everyone knows it, but few seem able to put them in place.

The mistake often made by new co-operatives is either going it alone until the business takes off or relying on trusted friends or colleagues to help out. These approaches may be good for building commitment on the part of members, but fail to ensure the technical and management expertise right at the time they are needed. The co-operative can founder before it is turned into a viable business that will prosper and grow.

However the steps that should be followed in maximising marketing and management strategies are :

1. Conduct a "feasibility" study to assess whether the co-operative venture is a commercial proposition. The study should identify broad marketing opportunities, the benefits to individual members of belonging to the co-operative and indicative investment requirements. The cost of doing this is small, but it ensures that the co-operative gets started on the right footing.

2. Establish and register the co-operative. Advantage should be taken of the assistance available from both the Australian Association of Co-operatives and the relevant State government authorities. But an important aspect that is often forgotten is the introduction of a regular means of communication between the directors and the members, which is essential if the co-operative is to work well.

3. Conduct a marketing study to provide a detailed assessment of both short and long term growth prospects, of demand by potential

consumers and likely supply from competitors, distribution and transport networks, pricing structures, trade protocols etc. The study should aim to identify or "target" customers who offer the best prospects and to devise strategies that enable the co-operative to compete more effectively in the market.

4. Appoint a manager. If funds are limited, it is possible for the Board of Directors to manage the business for a short time with technical assistance from outside consultants. A better solution would be to take on a part-time manager from a firm specialising in such arrangements.

5. Develop a business plan to translate the proposed marketing strategies into an organisational plan of action. The plan should provide investment and cash flow forecasts, a labour force schedule, capital equipment requirements and all other aspects relating to the operations of the business. The plan is essential to obtain finance from credit institutions, and is a relatively easy exercise if the marketing plan is well done and the manager is technically competent and experienced.

The marketing study and business plans should be updated to reflect the changing business environment. Planning should become as natural as breathing to both the Board of Directors and the management, and the results regularly reported to members and the workforce to strengthen their commitment to the co-operative's endeavours.

(originally printed in the Co-operative Courier, a publication of the Australian Association of Co-operatives, September-October 1988)

Our Rural Co-operative Past

A brief history by Dr. Gary Lewis

Australian primary producers were slow, historically speaking, to espouse co-operation as a sensible tactic for the conduct of their industries' affairs. But when they did, they did so with gusto and ability.

Several decades after their brethren in Europe and North America had begun co-operating, in the late 1870's dairy farmers on the south coast of New South Wales formed co-operatives to fight the infiltration of 'middle men' upon their livelihood.

Migratory herdsmen and their families carried the ideas and practice of co-operation with them north along the eastern river systems as far north as the Atherton tableland in Queensland and south into the Gippsland and Western District regions of Victoria. 'Sou'Coasters', as they were known, helped form co-operatives in South Australia and Tasmania and as far afield as the south west of Western Australia.

Farmers in other primary industries looked to the successful model of industry management demonstrated by dairy farmers. By the early twentieth century, important sections of Australian rural production were co-operatively organised in wheat, sugar cane, fruit and vine and to a lesser degree, wool and meat. The dairy industry was virtually wholly co-operative-run. By World War One, producers in all Australian states had joined to form a major export operation, the Australian Producers' Wholesale Co-operative Federation, trading widely throughout the world.

Whole communities in rural districts had grown up around 'the co-op', particularly in areas poorly serviced by private finance and government, and where the inclination towards 'self-help' was strong. In many co-operative towns, retail and housing finance co-operatives emerged to service emerging community needs.

Co-operatives kept capital in the local region and helped numerous towns and districts to develop a good measure of economic independence and high standards of social amenities.

But it was not all plain sailing. Wartime control of industries by governments demonstrated the efficacy of statutory control in galvanising 'orderly marketing'. Soon after World War One, the statutory marketing authority came into vogue, first in Queensland and then, modified in New South Wales, throughout Australia.

This new 'compulsory' co-operation reduced the field for voluntary co-operation and powerfully increased the role of governments in the conduct of economic affairs. Many farmers espoused the new system, seeking government supports particularly in new primary industries and in the slide to the 1930's depression.

This progression of events was accelerated by the return of war and the resumption of government controls under emergency provisions, which endured to the late 1940's.

Co-operatives continued to form, but the regulatory environment in which they functioned, inadequate and in some cases archaic legislation, and the state-based segmentation of their operations, tended to confine them, generally speaking, to production-related economic functions, hampering unity into a significant economic bloc and complicating diversification into more sophisticated market activities.

By the 1970's and early 1980's, many rural co-operatives found themselves the target of corporate raiders and several were taken over or restructured as to be unrecognisable as co-operatives.

Nevertheless, by the late 1980's and early 1990's, many primary producers were reconsidering the co-operative option as a possible strategy for the rational and independent conduct of their industries, just as their ancestors had about one century before.

**FOR THE CHILDREN
"CO-OPERATIVE BOOK OF THE DAY"**

"Welcome Back Snow White"
(Fun-To-Read Library, Volume 11, Bantam, 1986)

The seven dwarfs have heard that Snow White is going to visit them, so they decide to clean their house. They start off working separately and the house ends up in a dreadful state. They realise they need to work together, and they help each other to decide who should do what job. When Snow White arrives, she says their home looks neat and sparkling clean. Everything turned out right because they worked together - co-operatively.

CO-OPERATIVES ANONYMOUS

- "If I read a letter starting "Dear Co-operator" one more time, I'm gonna throw up" - a senior member of a major co-operative organisation.
- "And if I read a letter ending "Yours co-operatively" one more time, I'm gonna be sick" - a senior member of a major co-operative organisation.

CALLING ALL CO-OPERATIVES -
Would you like publicity in
Co-operative Directions?
Call (03) 603 4735 NOW.
Our operators are waiting.

?

Did you know that, according to the last annual report of the International Co-operative Alliance, there are currently 630,529,454 people in co-operatives worldwide?

CAPITAL RAISING REVIEW

THE FINAL REPORT OF THE CAPITAL RAISING REVIEW FOR CO-OPERATIVES, PREPARED BY CHRISTOPHER WALLIS, IS NOW AVAILABLE.

THE REPORT REVIEWS THE ADEQUACY OF VICTORIAN CO-OPERATIVES LEGISLATION AND PROPOSES A NUMBER OF INNOVATIVE OPTIONS TO IMPROVE CAPITAL RAISING MECHANISMS FOR CO-OPERATIVES.

THE REPORT IS AVAILABLE FROM THE CO-OPERATIVE DEVELOPMENT UNIT, AT A FEE OF \$40.00. PLEASE CALL MARGARET CAMILLERI ON (03) 603 4748.

**For further information contact the Co-operative Development Unit
7th Floor, 471 Little Bourke Street, Melbourne 3000. Telephone (03) 603 4735**

CO-OPERATIVE

D I R E C T I O N S

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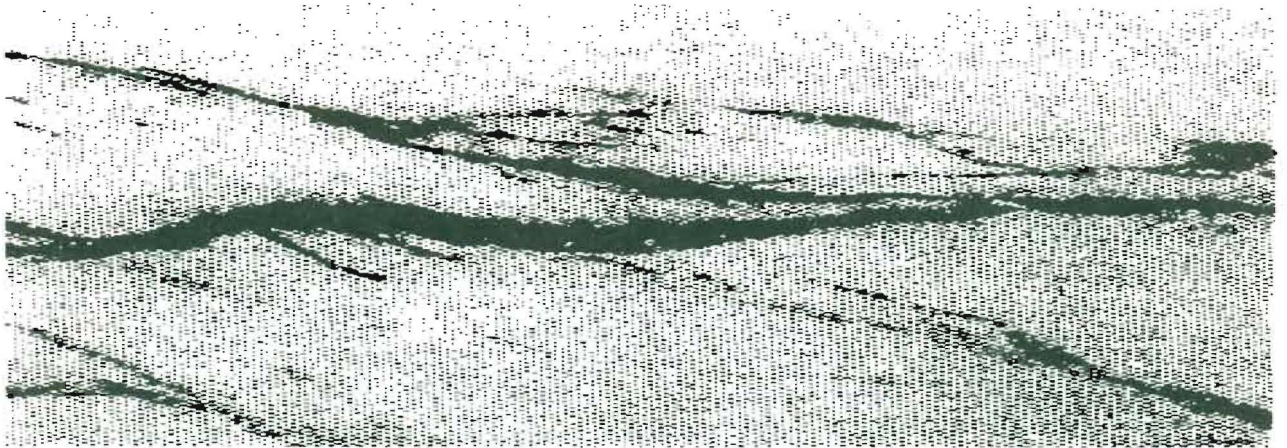
PHOTO BY RICHARD G. BIEVER, INDIANA STATEWIDE ASSOCIATION OF RURAL ELECTRIC CO-OPERATIVES

ELECTRIFYING CO-OPERATION

SEE PAGE 4

PRINTED ON 100% RECYCLED PAPER

TOWARDS EXCELLENCE IN CO-OPERATIVE MANAGEMENT



Thanks to a grant from the Victorian Education Foundation, the successful Certificate course in Co-operative Management, at present only offered in New South Wales, will be ready for Victorian students later this year.

The General Manager of the Australian Association of Co-operatives, Mr Geoff Ayres, announced this at the Annual General Meeting of the Victorian Division of the AAC on May 26th.

The successful outcome of negotiations with the Victorian Education Foundation resulting in this grant will allow the AAC to write new curriculum specifically for the needs of Victorian co-operatives. The material already written for the course in New South Wales will be used where appropriate.

"The AAC has gone into partnership with Monash University to develop the course in Victoria," said Mr Ayres. "We are very pleased at the support and enthusiasm of the Public Sector Institute within the Graduate School of Management at Monash and in particular its Director, Professor Bill Russell."

One valuable aspect will be the integration of the certificate course with other university

courses, so that students will credit the certificate as a step to higher qualifications including the University's highly regarded MBA. Discussions are also continuing to develop curriculum at the level of the MBA in public sector management so as to increase a general awareness of the co-operative sector within top echelons of the public service.

Mr Ayres acknowledged the interest and support of the Registry of Co-operatives and the Department of Food and Agriculture. "The certificate course is being moved to Victoria as a priority because of the considerable interest expressed in Victoria both by the co-operatives here and by the relevant Government departments," he said.

It is expected that work on preparing the curriculum will commence in August and the prototype Victorian course will be trialled in the summer semester : November 1992 - February 1993.

If the Victorian course follows the New South Wales format it will be presented as a twelve day residential course spread over four three day segments, with about two weeks between each segment and a major project which takes an additional month. There are four strands to

the course emphasizing legal skills, financial skills, management, and marketing skills.

The curriculum in New South Wales was prepared by the University of Western Sydney (Hawkesbury Campus - the old Hawkesbury Agricultural College) together with the Australian Institute of Management and the AAC itself.

"We are concerned to make the Australian Certificate in Co-operative Management a prized qualification for leaders in the co-operative movement," says Mr Ayres. "The Certificate blends a comprehensive understanding of the co-operative method of organisation with a state of the art training in modern management skills."

THE AUSTRALIAN CERTIFICATE IN CO-OPERATIVE MANAGEMENT

"We are very pleased at the work in New South Wales. There have been high calibre lecturers, a strong emphasis on participant-centred learning and some exciting innovations such as outdoor team building exercises and media presentation skills. The additional curriculum and extra experience of Victoria can only strengthen the Certificate. We are very confident in this course and are delighted to be able to offer it in Victoria so soon."

Enquiries To :

Tim Dyce
Education & Training Manager
Australian Association of Co-operatives
26 Ross Street
North Parramatta NSW 2151

Ph (02) 630 4800
Fax (02) 630 4632

THE NEW CO-OPERATIVES UNIT

The Co-operatives Unit came into existence in June 1992 with the Co-operatives and Societies Division transferring its powers over building societies, credit societies, friendly societies and co-operative housing societies to independent Reserve Boards.

The functions of the Unit remain similar to those previously provided by the Co-operatives Branch of the Division. These can basically be defined by four categories :

OPERATIONS - overseeing operational aspects of co-operatives e.g. maintaining a public register and data base on all co-operatives, lodgement of annual returns, special resolutions, rule changes, processing Government guarantees, changes of address etc, as well as general legislation enquiries.

LEGISLATION AND POLICY - providing legal advice as requested by the Registrar, to advise on legislative reform and draft new legislation where appropriate.

INVESTIGATIONS, MONITORING AND COMPLIANCE - performing a supervisory role by investigating and monitoring co-operatives' activities, ensuring compliance with the legislation, and dealing with complaints arising in relation to the management of a co-operative.

DEVELOPMENT - assisting groups who want to form co-operatives with the preparation of their formation documents and providing support and advice on the processes leading up to incorporation, and generally promoting the development of the co-operative sector in Victoria.

If you'd like more information or have any queries about the Unit, call us on 603 4111.

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ELECTRIFYING CO-OPERATION

The photo on the cover of this issue shows some of the 14,000 plus delegates who attended the 50th annual meeting of the National Rural Electric Co-operative Association in Anaheim, California in February 1992. The Association provides electricity for 25 million people. This article examines the co-operative option in relation to electricity services and examines what the American experience might mean for Australia.

The electric industry in Australia is currently being restructured under a common program of corporatisation i.e. adopting the policies and practices of private enterprise while remaining under public ownership.

This corporatisation program has been criticised for :

- preparing the electric industry for private ownership and control.
- proposing an unworkable hybrid of public ownership and private control.
- ignoring privatisation as a more effective and efficient model.

In the U.S.A. however, a third player exists in the electrification scheme of things - the co-operative provider. It has been almost sixty years since the rural electric co-operative movement originated there, in the wake of the Rural Electrification Act 1936 which aimed to bring electricity to rural areas. Existing private and public utilities were slow to respond and, instead, farmers and other rural people formed their own co-operatives.

Consumer Millions

Today there are approximately 1000 rural electric co-operatives owned and controlled by 12 million consumers and serving 10.5% of the country's population (25 million). The co-operatives own and maintain more than half

the electric distribution lines in the U.S.A., distributing about 7% of the nation's electricity.

In 1942 the National Rural Electric Co-operative Association was formed. The Association represents the interests of the co-operatives, provides training and technical assistance and publishes the Rural Electrification Magazine and the Rural Electric Newsletter. The association has 500 employees. In 1969 the National Rural Utilities Co-operative Finance Corporation was established to act as a conduit between the rural electric co-operatives and the private capital markets.

Up until 1990 one co-operative had failed - failing to operationalise when a private utility moved into an area to be served by the co-operative. Since 1985 fourteen co-operatives have been in financial difficulties. In 1990 seven of these co-operatives were under the jurisdiction of a workout unit of the Rural Electrification Administration. Between 1945 and 1988 there have been only fourteen successful takeovers of electric co-operatives by public or private utilities.

Social Purpose

In Australia, state electric utilities have exclusively focused on the generation, transmission and distribution of electricity and their current corporatisation is based on structuring this focus within a private enterprise model. In the U.S.A. however, the rural electric co-operatives originated with and have maintained a broad social purpose - including satellite technology, health promotion and economic development.

In 1984 about 23% of rural electric co-operatives were involved in economic development. By 1990 this had increased to

74%, and an additional 14% reported that they would launch programs. Since 1961 the co-operatives have helped start and expand more than 25,500 new commercial, industrial and community facility projects, producing nearly a million new jobs.

In 1986 the National Rural Telecommunications Co-operative was established to foster the development and growth of satellite technology in rural America. In 1987 the National Rural Health Network was established to promote healthy lifestyles and reduce risk for disease in rural communities.

The co-operatives see themselves as "a service organisation" which "holds a key place in the area where it provides electricity". Generally, "rural electric co-operatives are willing to help their communities whenever there is a need for the human and physical resources of a member-owned utility that the community has no established way for meeting".

Difficult But Possible

Electric co-operatives in the U.S.A. are enduring, efficient and profitable - an inspirational example of the potential application of co-operatives. The development of electric co-operatives in Australia will be difficult for at least four reasons. First, because the electric restructuring debate is dominated by proponents or opponents of corporatisation and privatisation. Second, this debate is based on a public-private paradigm and co-operatisation is structured out of the debate. Third, the channels for this debate subscribe to the public-private paradigm. Finally, there has not yet emerged a movement for the development of electric co-operatives.

Nonetheless, there are at least four factors which could open up the possibilities for the development of electric co-operatives in Australia. First, there is a latent dissatisfaction with a polar choice between corporatised public or private electric utilities. Second, the co-operative model provides the only

possibility for direct consumer ownership and control of electric utilities. Third, it is economically feasible to develop electric co-operatives because a statewide system of electricity generation, transmission and distribution has been established. Finally, co-operatives could become more attractive under conditions of current corporatisation and future privatisation.

Conclusion

The possibilities for rural electric co-operatives in Australia will depend on the development of a consumer movement. There will be opposition, but then that is the co-operative experience.

- David Griffiths

CO-OPERATIVE DIRECTIONS is published by the Ministerial Advisory Committee on Co-operation and the Co-operatives Unit, Attorney-General's Department, Victoria.

Edited by Patrick Mangan.

Thanks to David Griffiths for his invaluable assistance in writing and compiling articles, and to everyone who contributed to this issue.

ABORIGINAL THEATRE:

"One of the aims of Ilbjerri is to reach non-traditional theatre going audiences. Of course, part of that is the Koorie community, but we're not interested in sitting in one spot, waiting for the accolades to come. We want to perform outside of the theatre, at schools for instance, to give access to people to educate them about Koorie issues, people who otherwise wouldn't be exposed to them. You could call it taking the mountain to Mohammed."

"Cinema Papers" magazine recently described John Harding as a writer, performance poet and playwright. He is also a founding member of the recently established Ilbjerri Aboriginal and Torres Strait Islander Theatre Co-operative and the author of "Up The Road", the inaugural play performed by the group late last year. Sitting at a table in an office in inner-suburban Melbourne, he explains the reasons behind the co-operative's formation.

"Back in 1989, the Melbourne Workers' Theatre put on a production about Koories in work. It was called "Nidjira" and it had an Aboriginal script consultant. We were able to utilise the play as a training ground for Koories to latch on to experienced theatre people, so out of there came a stable of Koorie talent. The next step was to put on our own productions and become an organisation in our own right.

"We wanted to be much more than just a group of individuals putting on plays - we wanted to be a community training ground and to provide a black perspective in the arts in Victoria as well. All these things required that we become politically organised and be able to attract funds, but also be a non-profit body so that any funds we did get went straight back into more

community development to benefit the greater Koorie community. The obvious choice was to become a co-operative.

"Back in the 1970's when Gough Whitlam was setting up incorporated Aboriginal groups across the country, he chose the co-operative structure after discussion with the Aboriginal community. At that time it was the legal structure as closely aligned as possible with Koorie community philosophies, and it's still the same to this day. Our lives, our psyche, our sense of community responsibility, our sense of community accountability, all these things are almost inherent in the co-operatives' Act."

Once the co-operative was formed, the decision was made to perform John's play "Up The Road". The play is the story of a young Aboriginal man who returns home to his outback community for a family funeral after years of methodical progress through the public service in Canberra. The plot unfolds to reveal issues of conflicting paths to Aboriginal self-determination, Aboriginal deaths in custody, and personal relationships within families, the Aboriginal community, and across racial boundaries. However, in spite of the fact that funding was approved for the project, "Up The Road" had its critics before the first foot trod the stage.

"We got a reply to our funding submission, and attached to the letter which said "Congratulations, you've got the funding" were two independent script assessments, and both assessments said the script was terrible. I found it quite ironic that in the letter saying "Congratulations", it also said, "By the way, you can't write to save yourself." Is that a backhanded compliment or what?

A NEW STAGE

"I didn't think there was any need for that. I mean, you've got two non-Koorie script assessors who dare to comment about things like content for Koorie people. "There's not much there for Koorie people to relate to", they said. Non-Koories telling a Koorie playwright what a Koorie audience will relate to...", his words tail off in exasperation.

It seems, though, that the literary and cultural thumbs-down from the funding authorities has been the only critical setback endured by the co-operative to date. "Up The Road" had a four week season across several venues in Melbourne and was well received by local audiences.

"The public response was fantastic," John explains, "I don't think we got one negative review. I particularly liked the reviewer in The Age who said that he felt like he was standing at the window of a Koorie household, looking in without them being able to see him; that they were talking about issues that he knew they'd never talk about in front of him. I took that as a compliment because it showed that we, as Koories, can write our own stories, for our own people, in our own way, and still be appreciated and understood by a wider audience."

I'd seen the play performed at Melbourne University and concluded that its main strength was the humanity that it managed to inject into



The cast of "Up The Road" : Standing from left - Glen Shea, Rodney Sharp, Carol Fraser. Sitting from left - Denise Kickett, Grant Hansen, Antoinette Braybrook.

A New Stage: continued from page 7

issues that are fast becoming clichés in the way that the media usually depicts them. For a white Australian public weaned on extreme television images of Aborigines represented as aimless drunks in outback towns or militant demonstrators demanding the return of everything from Ayers Rock to Kakadu, "Up The Road" provides a picture of real people in real situations, instead of the cardboard cutouts that television tends to show. The play emphasizes the diversity of Aboriginal opinions on different subjects and, as a result, the issues take on more of a human face.

John agrees. "Yeah, it's just much more effective to push those issues through interesting people rather than make those issues the guts of the play, and then put people in the plays to espouse those issues. To put black militants on the stage to say "You're all dogs, we want land rights" is about as exciting as watching paint dry. I think it's interesting to show these underlying things like how not having land rights has affected his or her life, how a death in custody has a direct effect on his family - human elements. You get to see the human effects on stage rather than the rhetoric that everyone's heard on the six thirty news for the last twenty years. Of course, it's all in the way the story's told. If you can tell the story well, you can push any issue."

Presumably this makes it easier to communicate to a wider audience as well. "Yeah," John replies, "I'm really writing for Koorie people but I am interested in reaching the white population. At the same time, I think it's important for me not to dilute my meaning for the sake of reaching a wider audience. We have to be what we are, rather than worrying about forever having to explain ourselves to an audience that we think doesn't understand us. We need to let them come to terms with what we are, who we are, and how we think, and let them come across the river halfway. Maybe by learning from us as we are rather than us watering it down for you, this understanding

might come to fruition a lot quicker and in a lot purer sense.

"In "Up The Road", for instance, there were no holds barred, no subtitles. There was no narrator saying "And that meant...", while the cast froze. I don't believe in that type of thing at all. If someone wants to come up afterwards and ask us what the joke was, or what that jargon meant, we're more than willing to sit down and explain it to people."

The year ahead holds a lot in store for the Ilbjerri theatre co-operative with a new play and interstate tours, and they intend to find a ever-burgeoning audience, both Koorie and white, for the plays they perform.

"It's our biggest challenge," John admits, "We've been made fringe dwellers in this society and people find it difficult to be interested in something they know nothing about. It's a bit of a catch-22: how can you make them interested when they've never learnt about you and don't know anything about you? So how do you even get to open the door of the house, let alone sit in the lounge room and have a chat?

"I think it's really important for us to be taking that mountain to them, putting them in a situation where they are almost forced to listen. One of the only ways around the problem is to break into their contented existence with our issue, rather than waiting for them to come to our theatre. I mean, if we don't sensitise the dominant culture in this country to our issues and make them more aware of our needs, they're going to continue to treat us like they've been treating us.

"I don't have a yearning to develop the educational aspect of non-Koories' lives for any sort of spiritual reason," he smiles, "but I see it as a necessity for us to survive."

- Patrick Mangan

HEALTH IN SASKATCHEWAN

Health co-operatives (consumer owned and controlled health services) have a history in Australia dating back to the mid 19th century when friendly societies first employed doctors through medical institutes and established pharmacies (called dispensaries). It was 1847 when the first medical institute was established in Sydney by Manchester Unity and the first dispensary by the Oddfellows Medical Institute.

While the medical institutes have ceased, the co-operative dispensaries still exist today. In addition, there are now Aboriginal co-operative health services, co-operative hospitals, a co-operative general practice in Victoria and community health centres. These co-operatives and community clinics continue to challenge private and public health providers and the doctors, managers and bureaucrats who are engaged in a struggle for the ownership and control of health services.

This consumer challenge has also characterised the health care system in Canada, particularly in the province (state) of Saskatchewan. Co-operative clinics originated in Saskatchewan in 1962 after the Co-operative Commonwealth Federation Government introduced a universal, tax-financed medical care insurance plan.

Most of Saskatchewan's doctors were opposed to the medical insurance plan. When the majority of the province's 725 doctors went on strike for 23 days from 1 July 1962, community clinics were established, reaching a peak of 25 during the strike. After the strike, the impetus lessened for the clinics and by 1972 only 8 remained.

Until 1972 the income of the co-operative clinics was based on a fee-for-service. Effective from 1 March 1972, however, the New Democratic Party Government introduced

global budgeting - enabling the clinics to move away from the fee for service method of paying physicians.

Co-operative Federation

The Community Health Co-operative Federation represents five co-operatives operating community clinics at Saskatoon, Prince Albert, Lloydminster, Regina and Wynyard - a combined membership of 50,000 and 100,000 patients.

Since its inception in 1970, the Federation has been a persistent and consistent advocate for community clinics. The co-operatives argue that their service model provides the basis for reforming the organisation, financing and managing of health services, including consumer involvement.

The Federation supports a health system which is under public direction and responsive to consumers and financiers of its services based on the following principles of -

- community based organisation and control,
- provision of a variety of health services in one location,
- group practice as the basis of medical services,
- emphasis upon prevention and education in provision of direct health services and by way of specialised programming,
- remuneration of health practitioners on the basis of salary or other alternatives rather than fee for service payments.

Cost Comparison

The Saskatchewan Government set up a community clinic study to determine how their costs compared with private practitioners,

which was completed in 1983 but not released until 1989. The study's findings probably explain the six year delay in its release.

The study concluded that "compared to private practice patients in the same city, the total cost of the health services covered in this study was 13% lower for community clinic patients in Prince Albert and 17% lower for community clinic patients in Saskatoon."

SASKATOON COMMUNITY CLINIC

Established : 1962.

Membership : \$5 family or \$2.50 single n.b. all figures quoted in Canadian dollars.

Voluntary Annual Assessment : \$20 family or \$10 single - entitlements to discounts on dispensing, eyewear and non- insured medicals.

Members : 6,000.

Revenue (year ended 31 March 1991): \$6,072,671 - Government \$4,564,208, pharmacy \$940,612, optical \$315,240, and other \$252,611.

Staff : 100 full-time and part- time, including 14.5 physicians.

Annual Number Of Patients : 16,000 and a register of 30,000.

Programs : Optical dispensary, psychiatric nursing, pharmacy, pre-natal classes, back care, pre-menstrual syndrome, medical, counselling and community services, laboratory and ECG, occupational therapy, nutrition, radiology, physical therapy, community development and specialised health promotion programs.

- David Griffiths

CO-OPERATIVE VICTORIA

Co-operative Victoria is a submission by the Ministerial Advisory Committee on Co-operation to the Victorian Government.

The submission argues for the development of marketing, electric and water co-operatives.

It is critical of the current debate on the reform of public authorities for ignoring the co-operative option.

The submission argues that a real choice and decision is not about the competitiveness and efficiency of the different providers; it is about who should own and control utilities.

The submission therefore suggests a middle way for the provision of essential services - instead of public or private utilities.

If you want to find out more about the middle way or would like a free copy of the submission, contact the Co-operatives Unit on 603 4632.

TALKING TOGETHER, TRADING TOGETHER

by Noel Stewart

The Asia Pacific Co-operative Centre for Research, Training and Development is an initiative of the International Co-operative Alliance. It was launched on the 12 February 1990 by the President of the ICA, Lars Marcus following an ICA sponsored Ministerial Conference in Sydney during which strong support for the proposal was indicated by Ministerial representatives of Australia and Asia Pacific country participants.

Mr Marcus intimated that while the ICA would be ready to help with the establishment of the Centre, it was essential that the local co-operative movement take hold of the concept and accept primary responsibility for developing and bringing to fruition the infrastructure that would be necessary to reach the goals that had been set.

Thus, eleven months after the launch of the Centre, the formation meeting was held on 10 January 1991. The inaugural Board was elected at that meeting with the following being successful :

*Mr Ray Ison, Director, AAC,
Mr Geoff Ayres, General Manager, AAC,
Mr Richard Crosbie, President, AFCUL,
Mr Jim McCall, Ministerial Advisor to Minister
for Agriculture and Co-operatives (NSW),
Mr John Gill, Secretary, Victorian Producers
Co-operative Ltd,
Mr David McMullen, Bonlac Foods.
Mr Colin Hastings was appointed secretary.*

The society was incorporated on 6 March 1991, and the Centre was opened in Geelong on the 24 February 1992 by the Victorian Deputy Premier, the Hon. Jim Kennan.

Due largely to the untiring efforts of Steering Committee member Mr Mathimugan (or Mati, as he prefers to be known), the first International Seminar was held in conjunction with the

opening of the Centre. Participants came from as far afield as Taiwan, China, Thailand, Malaysia, Singapore, India and the Philippines.

The response of those who took part in the Seminar was very positive. There have since been discussions between some of the participants and Australian co-operatives searching out ways in which potential trading opportunities may be developed.

Seminars aimed at management personnel and directors of Australian co-operatives are currently being developed and it is hoped that three such events will be arranged over the next six months. If there are any who would like to receive information regarding the programs, please write to the Secretary, Asia Pacific Co-operative Centre, 257 Moorabool St, Geelong, Vic. 3220.

One of the exciting prospects that is opening up to us is the potential for all types of co-operatives in Australia and in the Asia Pacific area to sit together and learn from each other. There must be enormous opportunities for us all when the co-operatives who represent 338.9 million members in the Asia Pacific area begin talking together and trading together. If it can be done, it can be done better between co-operatives.



Victoria's Deputy Premier, Mr Jim Kennan unveils the plaque at the official opening of The Asia Pacific Co-operative Centre (photo reproduced courtesy of the Geelong Advertiser).

COMMUNITY CREDIT

"Community credit unions provide valuable services that banks are increasingly unwilling to provide." Jeff Coley, a community development worker for the Fitzroy and Carlton Community Credit Co-operative, responds to a list of questions submitted by Co-operative Directions.

When was the credit union formed?

15 November 1977.

Why was it established ?

The co-operative was established by a group of low income people who were members of the Action and Resource Centre in Fitzroy and who were dissatisfied with the services offered by other financial institutions. Support in establishment was provided by the credit co-operative movement and other interested parties.

How many members does the credit union have and what has been the membership growth pattern ?

As at the 30 April 1992 there were 1881 shareholder and 140 non-shareholder members. Membership has increased from 141 at 30 June 1981 and 863 at 30 June 1987.

What are the requirements for membership ?

Membership is available to all people aged 15 years and over who live or work in Fitzroy, Carlton, Collingwood, Clifton Hill or Northcote, or who are members of the Action and Resource Centre - now based in Clifton Hill.

What credit union education activities are undertaken ?

Education activities include :

- (a) New member meetings on the first Monday of each month,*
- (b) Meetings with community groups to give details of the Co-operative's services,*

(c) The Co-operative has 10 volunteer workers who perform a wide range of tasks. On the job training is provided as well as some outside job skills handling,

(d) Trainees are placed at the Co-operative by the Brotherhood of St Laurence for one year periods,

(e) User group meetings - budget and community group meetings are held periodically,

(f) Work experience students from local high schools spend time at the union,

(g) The board of directors have attended courses detailing their responsibilities,

(h) Paid staff attend outside workshops and seminars,

(i) The budget and loans processes provide education to our members.

How many paid workers are employed by the credit union ?

Four full-time paid workers.

How many volunteer workers does the credit union have ?

Ten volunteer workers - working varying hours.

Has government assistance been problematic?

Government assistance has undoubtedly strengthened the co-operative's ability to provide services to its members. Over 80% of members are on low incomes. The problems encountered have been largely the time involved in convincing the Ministers, advisors and bureaucrats of the worth of the programs. We see our services as part of a social obligation to those in need (unlike banks) and the grants are simply fees for providing this service. Our aim is to be as independent as possible, but the realities of this current recession make that difficult.

What is the current value of outstanding loans?

At 30 April 1992, \$563,669.

What value of loans has been repaid since establishment?

Loans written since 1 January 1988, \$1,925,760.

What are the assets of the credit union and what has been the growth pattern?

Assets at 30 April 1992 were \$2,112,875.

This compares with :

1982-83 : \$72,085
1983-84 : \$166,731
1984-85 : \$141,536
1985-86 : \$173,803
1986-87 : \$298,854
1987-88 : \$693,592
1988-89 : \$941,836
1989-90 : \$1,224,379
1990-91 : \$1,665,695

Are doubtful debts a problem and why?

Doubtful debts as a percentage of loans are usually higher than the credit union movement average. For credit unions of our size (\$1 - 5 million in assets) our ratio is very comparable. Given that over 80% of our members are on low incomes we believe the ratio is acceptable.

What has the union achieved since its establishment?

Significant achievements :

- (a) expansion in area serviced from a small part of Fitzroy to the current common bond of association,
- (b) significant growth in assets and membership, especially over the last five years,
- (c) provision of bookkeeping, payroll and advice and support services for community groups,
- (d) the Co-operative has consistently attracted committed and skilled volunteer workers since its inception. Some volunteer workers have found outside employment,
- (e) strong links with other agencies in the region,

(f) a social audit of the Co-operative was completed in 1990 listing achievements and providing a policy document for the future,

(g) introduction of a tiered interest rate structure in March 1990,

(h) participation in research for "Credit to the Community" study of community-based low cost loans programs,

(i) significant growth in savings for Christmas expenses.

What have been the major problems since establishment?

The major difficulties have largely involved increasing the assets base quickly to provide ongoing financial stability. As low income members borrow significantly smaller amounts than middle and upper income groups, the Co-operative's loans to assets ratio is very low. For the March quarter 1992 we had 64% of liquid funds to shares, deposits and borrowing. This compared with the credit co-operative average of 23-24 % and 32% for co-operatives of a similar size. This produces revenue difficulties. Much time has also been devoted to government lobbying for the provision of a fee for service for the work performed by the Co-operative in supporting low income people. Reconciling the Co-operative's social and financial objectives is a major difficulty.

Where will the credit union be in the year 2000?

By the year 2000, (a) the union hopes to attract a more diverse range of members, (b) a significant increase in assets, (c) a wider range of services e.g. housing loans, Redicard services and better services to non-English speaking members, and (d) another branch.

Will you be one of the last community credit unions in victoria?

Community credit unions provide valuable services that banks are increasingly unwilling to provide. If our society still values a fair and just approach to all its members, then their survival is essential. We hope to be one of many community credit unions in the future.

ACCESS LOANS

Since the 1950's when they were first established, Victoria's credit unions have enabled people on low incomes to have access to credit. A crucial feature of these co-operatives has been that they are democratic financial institutions, owned and controlled by their members.

While credit unions are still democratic, continued economic and organisational success has resulted in increased administrative costs, the need to ensure financial stability through an appropriate mix of high and low balance depositors, a broadened membership which includes middle income earners and the meeting of complex and demanding external and internal regulative and prudential standards.

Their mainstreaming has made it increasingly difficult for credit unions to access loans to many people who are on low incomes.

Low Cost

A low cost loan is a loan which is provided at a low rate of interest compared with other loans available in the market. Therefore, the lower the cost of the loan, the more people there are who have access to that loan.

The major benefit of the provision of low cost loans is that they allow people on low incomes, who generally do not have access to credit through mainstream financial institutions, to have access to small amounts of credit to enable them to buy basic goods.

Workshop

A workshop was held in November 1991 to discuss the role that credit unions play in providing low cost loans, and to consider possible mechanisms to help credit unions provide these services. The workshop was organised by the Ministerial Advisory Committee on Co-operation and underwritten by the Victorian Credit Co-operatives

Association, with assistance from community representatives involved in low cost lending services.

The workshop was attended by thirty-eight people, including representatives from fourteen co-operatives. Victorian Credit Co-operatives Association General Manager, Rob Nicholls (pictured below), proposed that the VCCA develop a proposal to establish a pool into which credit unions would deposit funds at a low or zero interest rate. This money would then be invested at a higher interest rate, and the money earned would be available to credit unions to offset the cost, i.e. interest differential, of providing a low cost loan. Loans would still be assessed and monitored by the credit union and would only be provided where a member is able to repay the loan. Workshop participants endorsed the proposal and recommended that the VCCA establish and manage this fund. The proposal has been developed and endorsed by the Ministerial Advisory Committee on Co-operation and the VCCA Board under the title "Access Loans".



As there are 100 credit unions in Victoria covering the state, both geographically and in terms of major working groups, the Access Loans proposal has the capacity to bring low cost lending to low income earners wherever they reside in the state.

It is an exciting concept that may be in place later this year.

WHERE IT ALL BEGAN

When the Rochdale Equitable Pioneers Society began trading on December 21, 1844, their fellow residents in Toad Lane probably didn't realise the future global impact of events down at number 31. The opening of the world's first co-operative may not have made a big impression on the locals at the time, but with over six hundred million people now belonging to co-operatives in 77 countries, the echoes of the labours of the 28 original members in England's north west are clearly still sounding.

A sign stretching across a bridge over the motorway into Rochdale welcomes you to the birthplace of the co-op, but the historical heart of the co-operative movement lies at the museum in Toad Lane, in the original building used by the Pioneers. The museum seems out of place in the midst of the insistent traffic and shopping complexes of the town around it, but as you enter the museum and soak in its old world simplicity, you might feel there's nothing wrong with that.

A plank supported by a couple of barrels, similar to the counter used by the co-operative's early customers, stands at the entrance of the museum. This is flanked by sacks of sugar, oatmeal and flour, three of a handful of products initially available to the Rochdale public. The co-op was launched with 28 pounds capital, so

the modest paving stone floor and whitewashed wall come as no surprise. The cold wooden bench for customers waiting to be served, and the clerk's desk opposite where the cashier would once have sat, seem to be just as authentic.

The main body of the museum is in the rear room which originally acted as the Pioneers Society stockroom. The first sights are glass cabinets devoted to Robert Owen, "The Father of Co-operation", and G.J.Holyoake, an advisor to the Pioneers and whose books about the society were translated into several languages and helped to spread the word about the Rochdale way.

If you keep walking in a straight line, you'll sustain minor injuries from running into the Co-operative handcart, which was once used to deliver bread. On the walls surrounding are other glass cases which detail significant events from the formation of the Pioneers to their centenary celebrations. The most impressive item here is the original Minute Book of the Pioneers Society which tells of the ebbs and flows of the early days.

The highlight of the back wall is a lifesize group photograph of thirteen of the Pioneers. This is notable for the bow ties and grim faces of the



co-operators, and an admirable display of beards, moustaches, whiskers and every other conceivable facial hair design. In front of this sits a small table on which, according to legend, Charles Howarth wrote the Pioneers' first constitution, embodying Principles of Co-operation which were to have an extraordinary impact worldwide during the following century and a half.

The first floor of the building was used by the Co-operative as a library and classroom, and is still used for lectures and exhibitions, so the educational tradition lives on. The room is actually two floors in one since the second floor was declared structurally unsafe in the late

1970s, so it seems quite modern in its spaciousness. However, there is an abundance of memorabilia here too, in the shape of early shop equipment, nineteenth century Women's Co-operative Guild banners and official seals from early co-operatives, among other items.

Of course, a visit would not be complete without a souvenir Toad Lane badge, keyring or postcard, and the staff seem only too happy to help with any questions you might want answered about the museum. The Pioneers' Museum is a worthy tribute to a worthy cause. Next time you're in Rochdale, make sure you pop in.

RECENT CO-OPERATIVE REGISTRATIONS

Co-operatives registered in Victoria come from an ever-widening variety of areas, industries and interests. The diversity of the co-operative sector in the state is shown by this latest list of incorporations:

Amalgamated Taxis Wodonga Co-operative Limited - taxi co-operative.

Aussie Wool Art Co-operative Ltd - group designing, manufacturing and marketing natural fibre products.

Victorian Venison Producers Co-operative Limited - producers of deer products.

East Melbourne Child Care Co-operative Ltd - co-operative to provide child care services in the East Melbourne area.

Meruka Child Care Co-operative Ltd - co-operative to provide child care services in the Shire of Eltham.

Rushworth Co-operative Wholefoods Limited - rural food co-operative.

Latin-American Social and Sporting Co-operative Limited - co-operative of the Latin-American community.

Architeam Co-operative Ltd - architects' co-operative.

The Mitta Valley L.P. Gas Co-operative Ltd - rural co-operative supplying L.P. gas to its members.

The Life Education (Inner Eastern Region) Co-operative Ltd - providing life education services to primary schools in the Melbourne Inner Eastern region.

Caulfield Craft Co-operative Ltd - Melbourne suburban craft co-operative.

Also recently registered are -
20 Common Equity Rental Housing Co-operatives & 5 Government Guarantee Co-operatives (formed by community groups (sporting organisations, schools etc) in order to get a government guarantee on a loan to finance a specific project e.g. a building).

CALLING ALL CO-OPERATIVES

Would you like publicity in Co-operative Directions?

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Our operators are waiting.